



FINAL REPORT

**COMPREHENSIVE EVALUATION OF THE FUNCTIONS / RESPONSIBILITIES OF ALL
AGRICULTURE SECTOR INSTITUTIONS / ORGANIZATIONS OPERATING UNDER THE
MINISTRY OF AGRICULTURE AND OTHER RELATED MINISTRIES**

REFERENCE NO. LK-MOA-PMU-351214-CS-QCBS

DECEMBER 2024

Joint Venture of

Submitted By



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Agriculture Modernization Project

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Such collective input has been invaluable in shaping the findings and recommendations in this report, and we look forward to seeing positive changes in the Sri Lankan agriculture sector resulting from our collaborative efforts.

Acronyms

AAIB	Agricultural and Agrarian Insurance Board
ASMP	Agriculture Sector Modernization Project
AVRDC	Asian Vegetable Research and Development Centre
CCD	Coconut Cultivation Board
CCF	Colombo Commercial Fertilizer Ltd
CDA	Coconut Development Authority
CFC	Ceylon Fertilizer Company Ltd
CFC	Ceylon Fisheries Corporation
CFHC	Ceylon Fishery Harbours Corporation
CIRI	Cinnamon Research Institute
CRI	Coconut Research Institute
DAPH	Department of Animal Production and Health
DEA	Department of Export Agriculture
DFAR	Department of Fisheries and Aquatic Resources
DNBG	Department of National Botanical Gardens
DOA	Department of Agriculture
DOAD	Department of Agrarian Development
DOC	Department of Commerce
DOV	Department of Valuation
EDB	Sri Lanka Export Development Board
ETC	Extension & Training Centre
FCRDI	Field Crops Research & Development Institute
FCD	Food Commissioner's Department
FRDI	Fruit Research & Development Institute
GI	Geographical Indexing
HARTI	Hector Kobbekaduwa Agrarian Research and Training Institute
HADABIMA	Haritha Danaw Bimsanwardhana Madyama Adhikariya

HORDI Horticultural Crops Research & Development Institute

ID Irrigation Department

IMD Irrigation Management Division

ITI Industrial Technology Institute

NAICC National Agriculture Information & Communication Centre

NAQDA National Aquaculture Development Authority

NARA National Aquatic Resources Research and Development Agency

NFS National Fertilizer Secretariat

NFB National Food Promotion Board

NIPHM National Institute of Post-Harvest Management

NIPO National Intellectual Property Office

NLDB National Livestock Development Board

NPQS National Plant Quarantine Service

NRC National Research Council

NRMC Natural Resources Management Centre

PHI Public Health Instructor

MA Mahaweli Authority

PDB Palmyra Development Board

PDOA Provincial Department of Agriculture

PGRC Plant Genetic Resources Centre

PMB Paddy Marketing Board

PMEAL Planning, Monitoring, Evaluation, Accountability and Learning

PCGRPA Pulse Crops, Grain Research and Production Authority

RDD Rubber Development Department

RRI Rubber Research Institute of Sri Lanka

RRDI Rice Research & Development Institute

ROP Registrar of Pesticide

SCS Seed Certification Service

SCPPS Seed Certification & Plant Protection Service

SEPC Socio-Economic Planning Centre

SLCARP Sri Lanka Council for Agricultural Research Policy

SLCC Sri Lanka Cashew Corporation

SLSI Sri Lanka Standard Institute

SLSPC Sri Lanka State Plantation Cooperation

SLTB Sri Lanka Tea Board

SPMDC Seed & Planting Material Development Centre

SAPMB Spices & Allied Products Marketing Board

SRI Sugarcane Research Institute

TRI Tea Research Institute

TSHDA Tea Small Holdings Development Authority

Executive Summary

This study was commissioned by the Agriculture Sector Modernisation Project (ASMP). It utilised a mixed-methods approach, reviewing existing international organisational structures to explore relevant and feasible strategies for enhancing productivity and growth in Sri Lanka's agricultural sector. The report assesses the sector's institutions, identifies inefficiencies, and proposes a restructuring plan to address these issues.

The current organisational and institutional structure of the agricultural sector in Sri Lanka experiences significant inadequacies. Fragmented land ownership, inconsistent policy implementation, bureaucratic delays, and dependence on agrarian subsidies significantly affect farm productivity and sustainability. A complex, multi-ministerial framework governing the agricultural sector exacerbates these issues due to overlapping responsibilities among numerous public entities with limited institutional capacity. Inconsistent legal enactments further impede the sector's efficiency. Similar challenges were observed in the intricate, multi-tiered organisational management structures in China, Bangladesh, India, Pakistan, and Vietnam. Nevertheless, despite the inefficiencies encumbering these multi-tiered frameworks, Sri Lanka remains the only country attempting to restructure its organisational operations.

The sector evaluation process of this study was structured around a dual methodology that integrated both qualitative and quantitative data, employing a combination of direct stakeholder consultations and the collection of self-evaluation reports from a diverse range of entities. Stakeholder consultations were conducted to validate self-evaluation reports and provided valuable insights into the operational dynamics of the respective entities. Additionally, secondary information, including annual reports and strategic plans, complement the primary data collected. This comprehensive approach encompassed 53 national entities and the Agriculture Departments of five Provincial Councils, providing a broad perspective on the organisational landscape of the agriculture sector. This strategy ensured a robust framework for analysis, facilitating a thorough understanding of the agriculture sector's performance and challenges, with the potential for making recommendations to improve the governance of the institutions involved.

The recommendations of this report advocate transitioning from the current fragmented, multi-ministerial organisational structure, which primarily focuses on specific commodities, to a more sophisticated hybrid model designed to enhance coordination and interaction among various agricultural commodities and the value chain links that support the sector's growth.

The development of the proposed organisational restructure for the sector began with applying a commodity-based model, highlighting Sri Lanka's key agricultural commodities, integral to the existing framework. However, this approach fell short of being an integrated functional system, lacking the necessary linkages across entities to enact effective and

streamlined value chain operations. The second model examined was a forward-looking model based on functional link components identified in contemporary operational value chains. This approach model shifted the focus from individual commodities to the interconnected processes that transform agricultural products from raw materials to market-ready goods, incorporating performance monitoring and evaluation mechanisms to ensure results-driven accountability. Nevertheless, this model did not effectively facilitate the optimisation of resources.

These initial models led to the development of the final three-tiered hybrid model proposed for restructuring the agriculture sector. This model combines elements of the existing Commodity-Based Model and the futuristic Value Chain-Based Model to create a straightforward, adaptable organisational system that meets the needs of the sector's respective stakeholders. The Ministry of Agriculture, under the proposed restructure, will supervise functions relevant to the sector that are currently managed by several other ministries, enabling the administrative oversight of the sector more coherently, all under a single "umbrella Ministry". The recommended three-tiered model is a streamlined structure comprising authorities, national agencies, and entities within this "umbrella Ministry" of Plantation and Spice Crops, Food Crops and Floriculture, Animal Production and Health, and Fisheries and Aquatic Resources.

Aiming to accelerate efficiency, productivity, and equity, the restructuring strategy will ensure global competitiveness and promote the development and adoption of sustainable technologies. The report addresses the issues of duplicate activities by entities and the factors contributing to the inefficiency of public institutions involved in the agriculture sector. Detailed restructuring recommendations indicate that certain entities should continue without reforms, while others will undergo specified reforms. Furthermore, it is recommended that some entities be merged, while others should either be privatised or considered for realignment with relevant entities outside the immediate system.

Given the significant role of the Department of Agriculture (DOA) in food crop production and its extensive network of entities, the DOA is portrayed as the Food Crops and Floriculture Authority in the restructuring recommendations. The proposed restructuring also utilises the considerable manpower capacity of organisations such as the Department of Agricultural Development and the Provincial Council agriculture network personnel to contribute more effectively through relevant agencies within the sector.

The restructure addresses the need for enhanced market access for smallholder farmers throughout the sector, emphasising the availability of market information and a clearly defined network of wholesale markets for island-wide distribution of produce. It prioritises administrative pathways for effective extension services, management of input supplies, quality management, and planning, monitoring, evaluation, accountability, and learning (PMEAL), across all entities within the agricultural sector framework.

This new organisational structure demands strong political commitment. The transition from solely primary production to value addition and export promotion, necessitates agricultural policies and financial commitments that recognise the importance of economies of scale in achieving food and nutrition security and enhancing employment in the agriculture sector. The restructuring recommendations detailed in the report include:

The three-tiered model comprises authorities, national agencies, and entities within an “umbrella Ministry” overseeing plantation and spice crops, food crops and floriculture, animal production and health, as well as fisheries and aquatic resources. It encompasses both the commodity and its corresponding value chain components. The first tier consists of five key authorities responsible for overseeing four main categories of agricultural commodities and managing agricultural land and water resources. They are the –

1. Plantation and Spice Crops Authority
2. Food Crops and Floriculture Authority
3. Animal Production and Health Authority
4. Fisheries and Aquaculture Resources Authority
5. Land and Water Management Authority

These authorities are supported by seventeen national agencies that constitute the second tier. The agencies will coordinate the activities of clusters of relevant entities and ensure the implementation of targeted, goal-oriented sectoral programmes in line with the mandates of the respective entities. Authorities and agencies are not expected to be established as new entities; instead, they are anticipated to operate as coordinating directorates based within the administrative offices of the Ministry of Agriculture. Entities belonging to the Ministry of Agriculture will function from locations outside the immediate premises of the Ministry, forming the third tier of the new organisational structure.

The roles of the authorities, agencies, and entities are clearly defined, along with mandates developed for individual agencies within the value chain. This approach aims to optimise resource utilisation, enhance coordination, and improve overall efficiency within the agricultural sector and will require -

1. **Introducing legislative and regulatory reforms** to empower entities in the agricultural sector, such as enabling them to generate revenue and maintain financial accountability, with the additional aim of encouraging the retention of technical expertise within the workforce.
2. **Focusing on strengthening value chains** through targeted strategies to improve research, extension, value addition and development output with visible outcomes.
3. **Investing in infrastructure and enhancing the capacity of human resources** for implementing prioritised research and development programmes; improving the logistics of distributing primary produce for access to domestic and export markets; and establishing Good Agricultural Practices (GAP);

4. **Fostering public-private partnerships (PPPs)** to integrate smallholder farmers into more competitive and sustainable value chains via organized production schemes; establishing technology-enhancing services to promote agriculture-based processing and value addition industries that will meet the demand for diverse agricultural commodities.
5. **Optimising the focused use of financial and budgetary allocations, alongside other resources**, through a well-structured, cloud-based, digitised Shared Service Operating Strategy (SSOS) integrated with an Enterprise Resource Planning System (ERP) is essential for the sustainability and success of managing the “Umbrella Ministry” of Agriculture.

The proposed restructuring adopts a tidy, comprehensive, modern, and forward-thinking approach to achieving national goals. It aims to enhance productivity and sustainability while advancing food security and economic viability for smallholder farmers and other key stakeholders. The report outlines a restructuring option designed to establish a robust, sustainable, and modern agricultural sector that significantly contributes to the country’s national income and social welfare. With supportive political will, it is likely to be readily adopted.

1. Introduction & Objectives

Sri Lanka has been an agricultural country since time immemorial. The total land mass of the country is 65,610 sq. km, of which 45.46% is agricultural land. Paddy is cultivated on 708,000 ha, while plantations such as tea, rubber, and coconut occupy 772,000 ha. Sri Lanka is home to nearly 14,000 freshwater tanks (175,774 ha), primarily used for irrigation. These tanks, distributed across the country, have the potential for inland fisheries and aquaculture, water sports, and tourism; however, they remain grossly underutilised.

Figure 1.2 illustrates the 46 Argo Ecological Zones spread across the country, highlighting the wider diversity present. This reality necessitates the adoption of the principle of subsidiarity, i.e. differentiated sectoral decision-making.

The average contribution of agriculture and allied activities to GDP remained between 7% and 9% from 2013 to 2023. The rice-based agricultural economy diversified into plantations, initially focusing on coffee and later rubber, coconut, and sugar cane. During 2023, 26.5% of the total employed population worked in the agriculture sector, which contributed 9% to the Gross Domestic Product (GDP). Of this, the fisheries sector contributed around 1.3%, while the livestock sector accounted for 0.9%. Thirty percent of those employed are in agriculture, making the rural agrarian community a vital source of labour for the industrial and urban sectors¹.

¹ International Trade Administration

The informal sector in agriculture employment represents 88.9% of the total agricultural employment as shown in Table 1.3.

Table 1.1 Percentage share of gross domestic product of major economic sectors, 2013 – 2023

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Share of GDP at constant (2010) prices											
Agriculture	7.8	7.8	7.7	7.1	6.9	7	7	7.1	6.9	7.5	7.9
Industry	27.0	26.9	26.2	26.	26.8	26.3	26.4	25.5	25.9	27.5	25.3
Services	56.2	56.1	56.6	56.	56.8	57.5	57.5	58.7	58.3	60.5	60.6
Taxes less subsidies	9.0	9.2	9.4	9.6	9.6	9.2	9.2	8.8	8.9	4.5	6.2

Source: Department of Census and Statistics, Sri Lanka

Table 1.2: Composition of Employment by Economic Sector, 2023 (Based on ISIC-Rev.4)

Type of Employment	Total	Formal Sector	Informal Sector
	No (%)	No (%)	No (%)
Agricultural Employment	2,088,344 (100.0)	232,794 (11.1)	1,855,550 (88.9)
Non – Agricultural Employment	5,921,572 (100.0)	3,129,927 (52.9)	2,791,645 (47.1)
Total	8,009,916 (100.0)	3,362,722 (42.0)	4,647,195 (58.0)

Note: The household population is aged 15 years and above, and the data covers all districts.
Source: Department of Census and Statistics, 2024.

The agricultural sector encompasses crops, livestock, and fisheries. Each of these subsectors entails research, extension, technology transfer, production, storage, distribution, and marketing.

The Ministry of Agriculture and other relevant ministries are entrusted with the responsibilities of agriculture and allied activities. The Ministry of Plantation Industries supported the plantation sub-sector and managed ‘exportable crops’ such as tea, rubber, and

coconut. A few additional exportable crops were incorporated during the second half of 2023. Two ministries, namely the Ministry of Agriculture and the Ministry of Plantation Industries, were amalgamated in 2023. Since its inception, the plantation sector has been seen as a relatively commercialised, export-oriented segment, and has received more emphasis compared to the food crop sector. Traditional agricultural activities, such as the production of paddy, field crops, vegetables, and fruits, were supported by the Department of Agriculture, under the aegis of the Ministry of Agriculture. Traditional agriculture requires refinement in its commercialisation due to the technical, economic, social, and political dimensions involved in the production and distribution of food to the country's impoverished populations. However, traditional agriculture encounters multiple challenges, the major one being less economically viable farmlands due to the fragmentation of holdings and ownership issues, low mechanisation, over-ambitious land allocation for irrigation, low irrigation water use efficiency, ecological concerns, non-comprehensive value chain development, and an outdated organisational and institutional framework.

In this context, this assignment revisits the institutional framework within the agricultural sector to propose its transition towards a vibrant and modern system that can effectively manage and provide a specific set of goods and services, address ways to accelerate crop productivity amidst environmental concerns, and generate exports by expanding the agricultural value chain. A restructuring of the agricultural sector is anticipated to enhance the food system with the larger goal of bringing about the much-needed transformation in this sector, which effectively contributes to national income, employment, and the welfare of smallholder farmers. Consequently, this report identifies and analyses the value chain components as well as the legal and financial structures of all public entities engaged in the agricultural sector in the present assignment.

More than 80 institutes and organisations operate in the agriculture sector under the Ministry of Agriculture and Plantation Industries and several other ministries. These organisations were established under various laws, acts, and regulations at different times, primarily over the last century. They exhibit overlapping functions, duplication of specific responsibilities, and omission of some significant ones. Over the past decades, inconsistent policies among these organisations and legal enactments have contributed to the inefficiency of the agriculture sector.

The ministerial structure in post-independence Sri Lanka has evolved from a single Ministry of Agriculture and Lands in 1947 to numerous specialised ministries under each successive elected government. Currently, there are eight ministries and nine provincial ministries related to agriculture and associated subjects within the agriculture sector (2023). The eight ministries can be grouped as follows - Figure 1.1

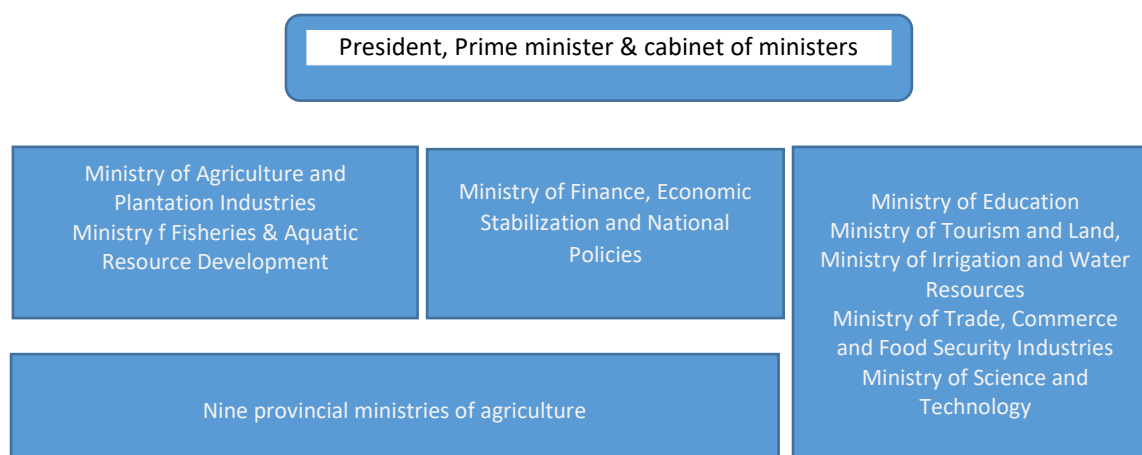


Figure 1.1 Ministerial structure of the agriculture sector in Sri Lanka (2023)

Under each ministry, various organisations exist, including departments, institutes, boards, and authorities, collectively referred to as entities in this report. There are approximately 90 such entities. A rational evolution of thought involves rationalising these entities to minimise functional overlap and enhance the efficiency of public administration and services. The principal inefficiencies that emerge in such complex, fractured systems are as follows:

1. Fragmented land ownership and use rights.
2. Inconsistent implementation and coordination of policy.
3. Weak institutional capacity and extension services.
4. Corruption and bureaucracy.
5. Inefficiencies and over-reliance on agricultural subsidies and support.
6. Environmental mismanagement and weak enforcement.
7. Rural-Urban divide in terms of infrastructure, migration and labour issues.
8. Slow adoption of technology, along with gaps in R&D and innovation among smallholders, is due to costs, insufficient knowledge, and inadequate support systems.
9. Inadequate rural development and infrastructure.

Numerous agencies nationwide are involved in extension and advisory services, as well as other value chain activities. The rice research system has achieved significant results and has played a vital role in making the country self-sufficient. Sri Lanka produces high-quality natural rubber. However, coconut production remains insufficient for direct consumption and as inputs for industry.

The following map illustrates the country's primary agro-ecological zones.

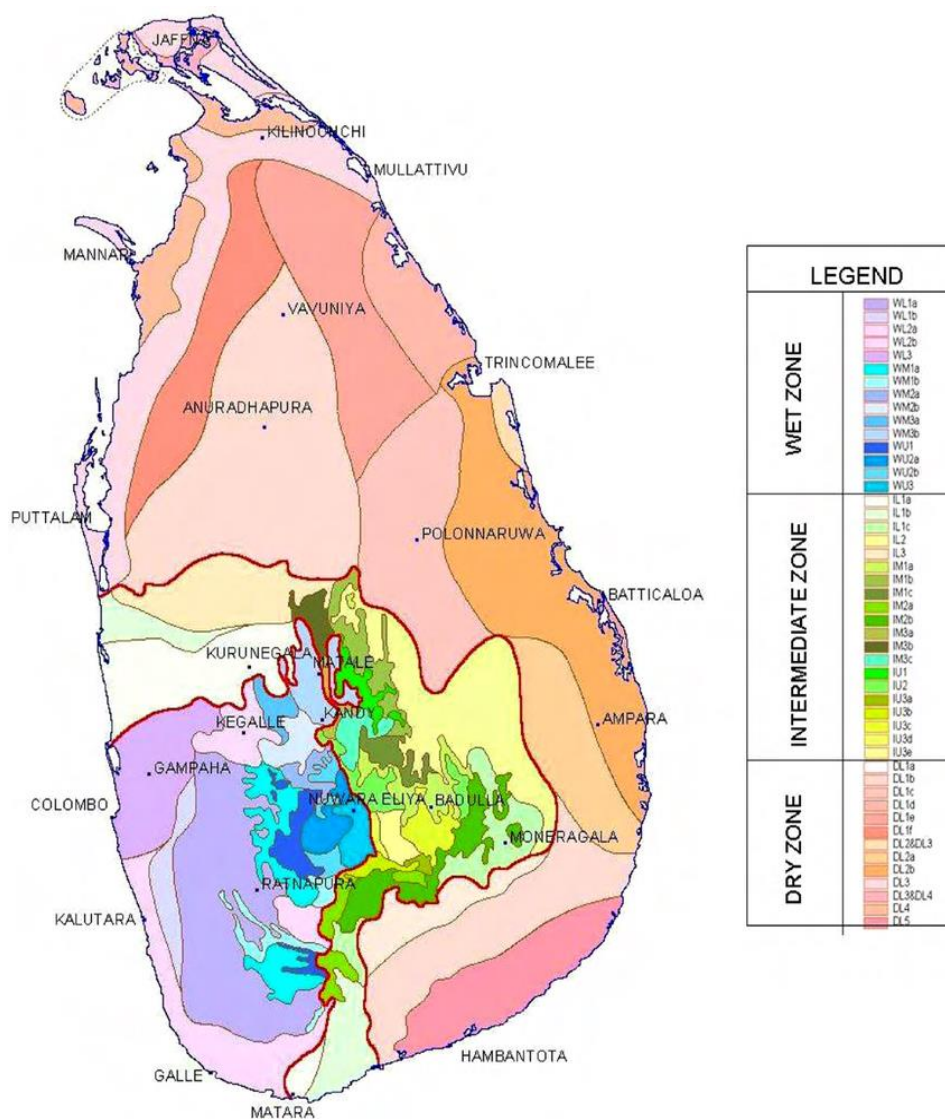


Figure 1.2 Main Agroecological Zones of Sri Lanka

Table 1.3 Key Agriculture Research Entities and their Locations in Sri Lanka

RESEARCH ENTITY	LOCATION
Plantation Crops	
▪ Tea Research Institute	Thalawakelle
▪ Rubber Research Institute	Agalawatta
▪ Coconut Research Institute	Lunuwila
▪ Sugar Research Institute	Pelwatta
▪ Palmyra Research Institute	Jaffna
▪ Cashew Research Institute	Rajagiriya
Food Crops	
▪ Rice Research and Development Institute	Batalagoda
▪ Field Crops Research and Development Institute	Mahailuppallama
▪ Horticulture Research and Development Institute	Gannoruwa
▪ Fruit Crop Research and Development Institute	Horana
Spices	
▪ Department of Export Agriculture	Matale
▪ Cinnamon Research Institute	Thihagoda, Matara
Post harvest and Value Addition	
▪ Industrial Technology Institute (ITI)	Colombo
▪ National Institute of Postharvest Management (NIPM)	Anuradhapura
Livestock and Fisheries (Marine and Inland)	
▪ Department of Animal Production and Health	Peradeniya
▪ National Aquaculture Development Authority (NAQDA)	Colombo
▪ National Aquatic Resources Research and Development Agency (NARA)	Mattakkuliya

The characteristics of modern agriculture include (i) minimising the drudgery of work through efficient methods and technology, allowing primary producers to enjoy a high quality of life; (ii) increasing efficiency, productivity, and sustainability; and (iii) implementing smart irrigation, utilising biotechnology, automation, as well as ICT and AI. However, in Sri Lanka,

the modernisation of agriculture and its contribution to transforming the economy and society, remain aspirations yet to be realised.

A significant intervention has been conceptualized to modernise agriculture. A key element is reviewing the state agriculture organisations under several ministries to examine their structures, functions, and efficacy and transform them to ensure a modern organisation system. Each organization performs a vital function in servicing agriculture entrepreneurs, producers, and intermediaries. These intermediaries are identified as actors in a value chain.

In the above context, the Agriculture Sector Modernisation Project has formulated an assignment to review the organisational structure, functions, statutory provisions and efficacy.

The assignment aims to develop an effective institutional organizational structure for the agriculture sector. The proposed structure will result in a modern system that utilizes state-of-the-art technology and know-how. The system will be characterized by effective coordination, efficient communication, accountability to stakeholders, and compliance with global standards of performance and quality.

Objectives

The main objective of the assignment is to conduct a comprehensive evaluation of the roles and responsibilities of all public sector institutions and organisations in the agriculture sector and to make recommendations for restructuring and reorienting these organisations, enabling the agriculture sector to address the national concerns of;

- I. Promoting the financial viability of livelihoods in food production and distribution.
- II. Lessening the burden on the Government to attain food and nutrition security.
- III. Promoting value chain development in the sector creates new job opportunities for young people and enhances the capacity for foreign exchange earnings.

The scope of the assignment, which involves a comprehensive evaluation of the existing institutional setup, is listed as follows.

- i. Identify the essential objectives, roles, and responsibilities of each state institution or organisation that supports the agriculture sector.
- ii. Identify each organisation's existing capacity to deliver on its mandatory role and responsibilities and propose manpower development needs.
- iii. Identify any duplication or overlap of responsibilities, inconsistencies, weaknesses within the current institutional framework, as well as suitable corrective measures, including closure, amalgamation, and restructuring of individual institutions.
- iv. Recommend that the relevant authorities, including the Ministries of Agriculture and Finance, as well as any other pertinent ministries, undertake necessary reorganisation and restructuring of organisations by implementing appropriate changes to the legal and regulatory framework, responsibilities, and functional capacity in managing finances, human resources, and other physical resources to enhance the efficiency of the agriculture sector.

The assignment, therefore, included-

- A detailed analysis of existing Institutional set-up in the agriculture sector
- A detailed analysis of the legal framework governing organisations, including the relevance and effectiveness of the Parliamentary Acts under which statutory boards are established, is considered, along with proposed revisions necessary to amend these acts or the legal framework.
- Critical comparative evaluation of the mandatory objectives, roles and responsibilities, and targets of each institution or organisation in relation to others, along with a significant assessment of limitations and weaknesses in each setup for fulfilling the given mandate.
- A thorough assessment of the availability of resources, such as finances, human resources, and various physical requirements, alongside the managerial capacity to effectively manage these resources.
- A critical review of the contributions required from each organisation for the efficient functioning of the agriculture sector.
- Making recommendations for reorganising, restricting, restructuring, or abolishing existing organisations to achieve national objectives.

A team of multidisciplinary scientists undertook the assignment.

2. Methodology

The methodology created to fulfil the assignment's expectations is outlined below.

2.1. Evaluation of Entities within the institutional structure of the agriculture sector

The list of entities to evaluate was determined in consultation with the ASMP office.

The team established collaboration with entities with introductory letters from the Secretary to the Ministry of Agriculture and Plantation Industries wrote to the Secretaries of the eight ministries and nine Provincial Ministries requesting their support for the proposed consultancy as follows:

1. Ministry of Agriculture and Plantation Industries
2. Ministry of Fisheries & Aquatic Resources Development
3. Ministry of Finance, Economic Stabilization and National Policies
4. Ministry of Education
5. Ministry of Tourism and Land
6. Ministry of Irrigation and Water Resources Management
7. Ministry of Trade, Commerce and Food Security
8. Ministry of Science and Technology
9. Provincial Ministry of Agriculture in all nine provinces

The self-evaluation form and instructions for its completion were emailed to the heads of the respective entities, along with a copy of the letter from the Secretary/Additional Secretary to the Ministry of Agriculture and Plantation Industries. Entities were expected to form teams including, for instance, the head of the entity, the Senior Programme Officer, the Senior Administrative Officer, the Senior Finance Officer, and any other officers chosen by the entities.

Two consulting team members were assigned to visit respective entities to explain the self-evaluation form and assist in completing it where necessary. The self-evaluation format is detailed in Annex 01. Accordingly, 53 national entities were contacted and requested to submit their self-evaluation forms electronically. In addition to these 53 national entities, there are 27 agricultural entities under the purview of the nine provincial councils. The relevant Secretary of the Provincial Ministry of Agriculture was contacted. The devolved system of Provincial Councils encompasses entities related to agriculture across nine ministries. A sample of five (NWP, CP, NCP, NP, and WP) was visited, and they responded by returning the self-evaluation report. The consulting team believed that understanding the provincial structure of agriculture-related entities was the primary purpose of their self-evaluation, and visiting all the entities in the nine provinces might not be essential for the study.

The Department of Cinnamon Development was established in 2024 and was consequently not contacted. The Tea, Rubber, and Coconut Plantation Fragmentation Control Board, which oversees the cultivation of maize needed for “Thripasha” and animal feed, and the Pulse Crops, Grain Research & Production Authority were inactive and thus not contacted.

The entities that submitted self-evaluation reports were invited to participate in group discussion conferences. At these meetings, the team of consultants clarified the submitted data where necessary. The conferences also allowed the respective entities to share information. Three such conferences were held with each entity.

The data collected in the reports served as a source of information for evaluating entities, alongside secondary information such as Annual Reports, Strategic Plans, and Corporate Plans. For non-responsive entities, the necessary information was gathered solely from publicly available secondary details. Annex 2 lists the entities and the data collected from them.

2.2. Commodity-based value chain analysis:

This was followed by an analysis of commodities, or groups of commodities, to facilitate a comparison of the contributions made by respective entities to the productivity of the value

chain. Accordingly, a series of matrices were developed for this purpose, grouping commodities into crop/crop group, animal/animal group, and fish group.

The commodity-based analysis was conducted on 14 identified commodities or commodity groups assigned to the entities. They are listed in alphabetical order: 1) Cashew, 2) Coconut, 3) Field Crops, 4) Fisheries, 5) Floriculture, 6) Fruits, 7) Livestock, 8) Palmyra, 9) Rice, 10) Rubber, 11) Spices, 12) Sugarcane, 13) Tea, and 14) Vegetables.

The criteria for assessing the performance of commodities and commodity groups were based on the connections within the value chain of each commodity. These criteria encompassed research, extension, production, seed and planting material production, processing and value addition, storage and distribution, sales and marketing, input supply and regulation, agricultural insurance, and regulatory and quality improvements. A matrix was developed for each group. Collaborators and competitors in the value chain were identified for each commodity or group of commodities. The roles of collaborators and competitors were analysed in the context of their respective mandates, roles, and functions regarding the effective performance of the value chain for commodities and commodity groups.

The above analysis identified duplicative and replicated activities and entities that needed additional support to improve the performance of a commodity or commodity group's value chain.

2.3 Comparative analysis of international experiences

China, Bangladesh, Vietnam, Thailand, and India were chosen to review their respective agriculture sectors' organisational and institutional structure. The objective was to understand the reform measures taken and their feasibility of replication in Sri Lankan agriculture. Country-wise information is sourced from the extant literature and information on the respective ministries' websites. These countries were chosen purposively due to similar geographies, topography, and socio-economic conditions in their rural areas.

2.4 Legal Structure Analysis

The study required the analysis of the legal framework of more than fifty state entities in the agricultural sector. This required the collation and incorporation of statutes of those entities. In some instances, the entity was incorporated by an order issued by the relevant minister, which required unearthing gazettes published several decades ago. However, the analysis of any legal document in the absence of some context would be unhelpful. As such, an effort was made to acquire context from an objective source. Thus, the authors resorted to the most recent Auditor General's reports where available, the annual reports issued by the entities

and the self-evaluation forms returned by the entities. Additionally, several works of research on public sector reform were also studied².

2.5 Financial Analysis

The clustering of institutions into a well-defined value chain would enhance the sector's financial resource optimisation and ease the budgetary constraints of the GOSL.

The recommended approach outlined below assesses the financial viability and suggests improvements for the sector's economic health. Due to limited access to information, an evaluation of the entities' financial position and the budgetary allocation and MOA & PI has been conducted for the last 3 years.

1. Understand the Objectives of the Institute/Organization
2. Assess Revenue Generation & Cost structures
3. Evaluate Financial Matrices
4. Analyse Budget Variance
5. Assess Financial Well-being and Stability
6. Conduct Benchmarking
7. Assessing Strategic Alignment
8. Review Operational Efficiency
9. Stakeholder Feedback

Assessing the financial viability of establishing an institution involves examining various financial metrics and performance indicators. This analysis aids in determining whether the entity positively impacts the overall financial health of the agriculture sector and identifies any cost centres that may consume a substantial portion of the budget. The template used for assessing steps 1 to 4 is attached.

2

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2.6 Derivation of Restructuring Model

The analyses above, along with findings concerning the financial performance and comprehensive studies on the Acts and Regulations pertinent to each entity, provided crucial information on the changes needed for restructuring the entities within the agriculture sector. Consequently, the value chain analysis included—

- Identifying stakeholders, agencies and overlapping functions & responsibilities to streamline entities.
- The commodity-based and value chain component analysis to identify methods of streamlining and increasing productivity through institutional restructuring.
- Evaluating the strengths of the different sector entities to minimise financial burden and identify methods of improving efficiency and effectiveness.
- Comparison with international experiences considering Bangladesh, China, and India. Thailand and Vietnam as reference points.
- The development of an organisational model for the agriculture sector.

3. International Experiences and Lessons Learned for Transforming Sri Lanka

Agricultural sectors in China, Bangladesh, India, Thailand, and Vietnam were selected to review the existing organisational and institutional structures to understand the reform measures implemented and their feasibility for replication in Sri Lanka. Country-specific information was gathered from existing literature and the respective websites of the relevant ministries. These countries were chosen due to their similarities with Sri Lanka concerning geography, topography, and socio-economic conditions in their rural areas. Thailand's topography differs slightly from the others, characterised by mountains, plateaus, plains, and peninsulas, heavy average rainfall, and occasional natural disasters. Compared to all South Asian countries, India and China have the largest number of small landholders and poor populations reliant on agriculture for their livelihoods, as well as substantial areas cultivated, diverse crops grown, various production methods, and market-related challenges. Despite these differences, these countries share significant standard economic and ecological features, including a large number of small holdings, low land and labour productivity, natural resource degradation, weak commodity supply chains, climatic risks, a substantial import bill due to urea, an increase in public expenditure on input subsidies, and biodiversity loss.

Historically, in each country, the agricultural sector's existing and established organisational structure is multilayered under the auspices of the Ministry of Agriculture (MOA). These ministries have numerous divisions (councils and departments), each with specific roles and responsibilities in line with national objectives for the agricultural sector. Besides the MOA, other ministries are also involved in policymaking for the welfare of agriculture and rural development, which includes distributing seeds and fertilisers to farmers at subsidised rates, procuring food from farmers, and distributing it to low-income consumers, as well as

generating employment and developing skills among rural labour. Within each ministry, some departments are engaged in direct income and investment support schemes for farmers, while others monitor commodity prices to ensure price stability and risk mitigation, promoting value addition and import-export activities.

For the dissemination of research and development, education, and extension services, it is noted that the MOA in these countries allocates funds to national and state-level agricultural universities, research institutes, and, in some cases, to commodity-specific boards, entities, or organisations such as tea, coffee, fishery, jute, and cotton. In nearly every country, the departments, councils, and organisations operate under stringent bureaucratic controls and endure significant inefficiencies. Studies indicate a lack of coordination among the Ministries at every level - central, state, and provincial.

In India, the Indian Council for Agricultural Research (ICAR) is an autonomous organisation under the Department of Agricultural Research and Education (DARE), Ministry of Agriculture and Farmers' Welfare, Government of India. It is the apex research organisation in the country, holding a high standing among international agricultural research institutions. Since its inception in 1930, the Council has been at the forefront of agricultural research, education, and extension activities to enhance productivity and diversify Indian agriculture. The Council is the apex body coordinating, guiding, and managing research and education in agriculture, including horticulture, fisheries, and animal sciences across the country. ICAR comprises 113 institutes and 74 agricultural universities spread throughout the nation, making it one of the largest national agricultural systems in the world. ICAR is involved in cutting-edge areas of science and technology development and has played a pioneering role in ushering in the Green Revolution and subsequent advancements in agriculture in India. ICAR scientists are internationally recognised in their fields of expertise, and the technology development programmes conducted by ICAR have enabled the country to increase the production of food grains, horticultural crops, fish, milk, and eggs, significantly impacting national food and nutritional security. It has played a significant role in promoting excellence in higher education in agriculture.

The Council for Agricultural Research Policy in Sri Lanka (SLCARP) is not authorised to promote higher education and is not primarily an entity focused on this area. However, it has much to learn from ICAR regarding the enhancement of a robust research culture in Sri Lanka.

It is also noted that although efforts have been made in these countries to enhance the existing institutional structure by focusing on governance and establishing more departments, it is only in Sri Lanka that efforts are underway to reform and transform the institutional set-up through restructuring via reforms, and the merging of the organisations/entities within the sector. In other countries, attention was noted as appears to be focussed on strengthening the existing entities and departments and expanding their roles and functions given the emerging challenges and risks due to climate change, and multilateral and regional trade in agriculture and fisheries.

Unlike Sri Lanka, where entities are engaged in the sale and purchase of agri-inputs and outputs, in other countries, they are mainly involved in the policy formulation and effective implementation of plans and schemes. The only exceptions are BRAC in Bangladesh and some organisations such as the Coffee, Jute and Cotton boards /corporations, primary cooperative societies, Agricultural and Processed Food Products Export Development Authority (APEDA), Small Farmers Agriculture Consortium (SFAC), Farmers Producers Organisations (FPOs), and Self Help Groups (SHGs) in India which operate under guidance from the respective ministry. Some of these organisations /entities receive financial support from the government or national banks to assist farmers in achieving better prices for their produce. While a few are directly engaged in agri-exports and imports, others are indirectly involved through export promotion councils and exporters.

In each country under review, a strong commitment to transform the agricultural sector, accelerate crop productivity, improve rural livelihoods, and address current challenges and future needs, is evident in varying degrees. Accordingly, significant investments are made towards developing irrigation (canal networks and minor irrigation systems), roads, other rural infrastructure and food supply chains, including contract farming between companies and growers, logistics, cold storage and agro-processing. Concomitantly, the respective government extends support for purchasing inputs, machinery, and output mainly due to economic reasons and, in some cases, political compulsions. The effectiveness of these reforms depends on continued implementation, monitoring, and adaptation to the changing conditions. The emphasis has been on accelerating output growth, crop and occupational diversification, external trade, and modernisation as critical for food security and global competitiveness. The respective governments have realised that the food demand will likely increase with relative shifts towards more diverse non-staple food groups. This transition is explained mainly by rapid urbanisation, growth in per capita income, and faster economic development in these countries than in many other developing countries.

In the context of global trade, Vietnam, Sri Lanka, and China endorse all varieties of agricultural exports. In contrast, India enforces strict regulations on the export of rice, sugar, and wheat (cereals) due to concerns over food security. Food imports are typically discouraged through tariffs and non-tariff measures, except in cases of actual shortages. The negative impacts of significant volatility in world prices for agricultural commodities and import surges are well documented. To manage increases in domestic commodity prices, preserve global competitiveness, and protect the interests of farmers, countries implement price support measures, import bans, quotas, and non-tariff measures (NTMs).

To address the increasing risks faced by farmers due to erratic rainfall and temperature, volatility in commodity prices, and inconsistency in crop yields, investments are being made in research, innovation, and development (R&D) to create drought-resilient varieties, climate-smart agricultural technologies, precision farming, and organic farming methods. Crop insurance is actively promoted among farmers through low premium rates and government support. The government has established Custom Hiring Centres (service delivery outlets) and

a few startups similar to Uber (rental car) to facilitate mechanisation, thereby enhancing productivity and efficiency while reducing farmers' burdens. India is significantly exploring using drones for fertiliser application, as well as digital innovations such as app-based weather and price advisories, alongside artificial intelligence and machine learning to address the escalating threats from climate change. Efforts are underway to promote micro-irrigation (drip and sprinkler systems), contract farming, and the development of an efficient food supply chain. E-platforms and app-based marketing for agricultural products are being developed akin to those used for consumer products by Amazon. Among nations, only Sri Lanka, Vietnam, and Bangladesh are open to international support (funds) for major irrigation, watershed management, and other infrastructure projects, as well as technology transfer.

Excluding Sri Lanka, none of the countries selected for review have prioritised enhancing overall governance in the agriculture sector. From 2012 to 2014, India implemented a 'Result Framework Document' (RFD) to be completed by each department within the Ministry. This document was a self-evaluation pro forma designed to assess the objectives, roles, and functions assigned to the relevant department/ministry. This practice was discontinued in 2014-15 following the formation of a new government, which focused on restructuring departments/ministries with new responsibilities, increased transparency, work ethics, and efficiency. Each country has outlined pathways for its agricultural sector. However, some broader issues remain regarding whether the government should:

- 1) Choose between smallholder and largeholder agriculture, as farm and expenditure policies differ.
- 2) Continue with the existing tradition and semi-mechanised farming system, or transition to a modern, fully mechanised agriculture.
- 3) Support agriculture and farmers through input and output price support or direct income assistance, without undermining public investment.
- 4) Implement updates to outdated regulations, marketing reforms, and liberalisation to create a supportive environment for modern, thriving agriculture.
- 5) Adopt a strategy of import substitution or export-oriented development
- 6) Prioritise inclusive and sustainable agriculture without causing environmental degradation, and
- 7) Identify methods to engage people, particularly women farmers and youth in agriculture, enhance value addition, and support farming and related activities.

Below is a list of important policy reforms initiated in agriculture. It is important to study their feasibility and possible replication in Sri Lankan agriculture to achieve higher growth, productivity, efficiency, and competitiveness.

- A. Modernisation of agricultural markets through e-markets, app-based platforms, contract farming, organised retail chains, and farmer-producer organisations.
- B. Remunerative prices for farmers can be achieved through (a) market mechanisms, (b) government intervention via procurement at preannounced prices, and (c) a combination of the first two options. The third option is more advantageous as it facilitates the price support scheme, procurement, the Price Deficiency Payment System, and procurement by private agencies. Direct income support, in the form of cash transfers to their bank accounts, is advocated for small landholders.
- C. Establishing a policy environment that fosters a shift in cropping patterns and practices aligned with the natural resource endowment while reducing GHG emissions. Promote modern irrigation methods such as drip, sprinkler, and sensor-based technology.
- D. There has been a heightened focus on nutrition via the biofortification of food. However, the response to adopting biotechnology, particularly GM crops, varies among countries.
- E. The strategy for agriculture is shifting from '*growth*' to '*efficient growth*' through skills, knowledge, investment, and enhancements in human capital within farming. This transition involves moving from low-tech to high-tech methods, such as greenhouse cultivation, polyhouses, tissue culture, and precision farming. This approach is expected to lower average production costs, increase farmers' income, and address scale limitations. There is a growing interest among agri-tech firms in digital extension services, solutions, agromet advisory, disease and pest management, and price forecasting. Farmers are increasingly relying on app-based information regarding weather and prices.
- F. Concentrate on natural and organic farming; public R&D and innovative research are also supported through PPP models, alongside the application of biotechnology.
- G. Expanding allied activities, non-farm occupations, and agro-processing to absorb the rural population aims to facilitate structural transformation in the country.
- H. Food safety is maintained through rigorous regulation and enforcement at both the production and post-harvest stages. Foster awareness throughout the entire value chain regarding safe chemicals and their proper use within the food system.
- I. A comprehensive roadmap for agricultural exports and imports to access global markets.

Slight deliberation on point (I) reveals that developing countries' agriculture is highly competitive in global markets. However, it confronts numerous challenges, necessitating a road map to gain from global trade. Countries follow a forward-looking approach that increases exports and regularly decides to substitute imports. The following are the major issues for deliberations.

- **Sanitary and Phytosanitary (SPS) and Non-Tariff Measures (NTMs)** are regulations imposed by importing countries to ensure that products adhere to health and safety

standards. These measures are designed to protect humans, animals, and plants from risks arising from pests, diseases, or contaminants. Developed countries, particularly the European Union, the United States, and Japan, enforce stringent SPS standards. Sri Lankan exporters frequently encounter challenges in meeting these quality standards due to limited access to advanced farming technologies, inadequate infrastructure, and testing facilities.

Pesticide Residue Regulations: Exporters of tea, spices, and fruits encounter frequent challenges with pesticide residue limits, often lower than the levels permitted in domestic markets. The high cost of compliance for small farmers due to the presence of aflatoxins, mycotoxins, and Tricyclazole makes it challenging to meet these requirements.

Quarantine Regulations: Countries impose quarantine measures to prevent the entry of pests and diseases, which causes exporters to face delays and rejections. Complying with these quarantine measures often results in high logistical costs and wastage due to perishability of agri-products.

Export Certification and Testing Compliance: Exporters must provide documentation proving that their products meet SPS standards, including certifications of origin, lab testing results, and pesticide residue analysis. The cost and complexity of obtaining such certifications can be prohibitive for small businesses.

Technical Barriers to Trade (TBT) involve regulations, food safety standards, quality certification, environmental standards, and procedures that importing countries use to regulate products. Sri Lankan organic spices, for instance, must comply with diverse regulations across different markets, creating additional hurdles. The EU has strict Maximum Residue Limits (MRLs) for pesticides in agricultural imports, requiring exporters to be aware of these thresholds and ensure products are tested and certified accordingly.

- **Understanding Customer Expectations/Pallets:** Market intelligence can uncover customer preferences for product characteristics such as aroma, flavour, and appearance. For example, purchasers of Ceylon tea in various regions may emphasise specific qualities (e.g., colour or flavour profile), and adapting products to fulfil these expectations can enhance market penetration.
- **Evaluating Global Production and Supply Trends:** Gathering intelligence on international competitors, including production volumes from other tea or spice-producing nations, is essential for strategically positioning a country's products. Understanding competitors' strengths in terms of quality and pricing assists in adjusting export strategies to sustain competitiveness.
- **Global trade as a means of enhancing growth:** Adopting sustainable and organic farming practices that align with global trends. It should boost agricultural productivity

through advanced technologies such as precision farming, high-yield crop varieties, and climate-resilient practices, as well as investment in R&D. During shortages, imports can improve access to diverse agricultural markets and alleviate supply deficiencies.

- **Foreign Direct Investment aims to enhance the competitiveness of agri-exports** through technology adoption, value addition via processing, improved export quality, development of the cold chain, and better logistics and transportation.
- **Accessing New Markets:** Trade agreements and partnerships enable nations to enter new markets and lessen reliance on traditional buyers such as the European Union and the Middle East. A different perspective is essential to engage with global markets, including consumers' tastes, the seasonality of agri-commodities, and a limited timeframe to seize opportunities. A classic example is grapes from Maharashtra, India. Exporters have a timeline of only 35 days to supply them in the EU markets, as for the remaining days, the flow of grapes is heavy and abundant, making it increasingly competitive due to exporters from ASEAN and Latin markets.
- **Ascertain global market intelligence at various levels for quality and quantity parameters:** Sri Lanka must consistently gather market intelligence to monitor trends in global demand for key agricultural exports. This necessitates understanding consumer preferences, market pricing trends, and evolving demands in target markets such as the European Union, Middle East, and Asia. For example, the increasing demand for organic and sustainable products in European markets requires real-time data on consumer preferences and shifts in purchasing behaviour to adapt production strategies.
- **The issue of Geographical Indication (GI) tags for niche products is significant:** GI tags not only acknowledge the unique qualities, reputation, and characteristics of products associated with a specific geographic region but also enhance the export potential and global competitiveness of these products. GI tags impact exports through :

Premium Pricing: Ceylon Tea, which has a GI tag, is globally recognised for its distinct flavour and quality, enabling it to command higher prices than other teas.

Brand Recognition: Granting a GI tag establishes a brand identity, bolstering consumer trust and recognition in international markets. Ceylon Cinnamon, when exported with a GI tag, is more likely to differentiate itself in saturated global markets due to its association with authenticity and origin.

International trade laws can provide legal protection against counterfeit or imitation products, safeguarding the reputation of niche products. Exporters can rely on these laws to prevent the sale of fake or substandard goods under the same name.

Exclusive Market Access: With GI protection, only authorised producers from the specified geographic area are permitted to use the GI label.

International GI Tags—The importance of international GI tags is even greater. Embassies can act as a catalyst in guiding and promoting such products through food festivals and displays at busy airports, encouraging top chefs and connoisseurs to highlight them.

In summary, trade within each country is a vital source of agricultural growth and boosts farmers' income. Sri Lanka can strive to be more competitive, as her agricultural exports account for 25% of total exports. The entities, such as the Cinnamon Research Institute, Coconut Research Institute, Department of Export Agriculture, FRDI, RRI, Spices Marketing Board, and Tea Research Institute, should be assigned new roles and responsibilities under the guidance of the Ministry of Agriculture and Plantations Industries (MOA&PI). They should regularly monitor standards and explore ways to comply with international regulations so that tea and spice exporters can enhance their product quality, thereby gaining access to high-end markets in the EU, the U.S., and Japan. Likewise, adherence to non-tariff measures (NTMs) ensures that exported products meet health, safety, and environmental standards, which in turn, fosters consumer trust. Products that consistently meet international standards develop a reputation for quality and reliability, thereby enhancing brand value in global markets. Exporters should be encouraged to invest in technology and innovation to improve productivity, competitiveness, and market access. The entities should focus on inclusive trade promotion to enable farmers to maximise their benefits rather than middlemen. The MOA & PI could establish an export council to provide funding for research on how to tap into global markets. A small farmers' consortium or Farmer Producer Companies can be established to facilitate direct links between farmers and exporters. These can be offered credit at a reasonable interest rate for expansion. The government must ensure the creation of a regular database on exports and imports to enhance geographical insights, improve traceability, and increase market sensitivity.

4. Analysis of the Existing Institutional Structure of the Agriculture Sector

The institutional structure of the agriculture sector is examined based on the results of a comprehensive comparative evaluation of both National and Devolved Entities, using data generated from the self-evaluation process and the analyses outlined in the methodology. These analyses also justify the proposed model for restructuring the Agriculture Sector Entities. Comparisons were made according to the terms of reference of the consultancy, including Acts and Regulations, financial and other resources available to the respective entities, and their achievements in terms of outputs and outcomes. For the entities that did not respond to the self-evaluation form (SEF), a secondary data analysis was conducted based on available web-based information and printed materials.

4.1 Findings from the evaluation of entities from the Self-Evaluation Data

General observations on the detailed analysis of the entities studied.

- **Agriculture Sector Planning** - Given the historical significance of agriculture, policymakers and programme designers often engage in ad hoc agricultural development activities related to food security, poverty alleviation, and disaster management. However, these interventions do not align with national agricultural development plans or are channelled through relevant institutions. Agrarian development interventions should be directed to the appropriate entities to utilise resources effectively. The pool of experienced District Directors of Agriculture could be reassigned to positions based on their experience and expertise as required within the Ministry of Agriculture.
- **The mandate, roles, functions, and responsibilities** - All entities have considered the mandate established by their roles, functions, and responsibilities in executing their activities. However, over time, activities have been prioritised within individual entities to meet emerging national demands identified by their respective governments. This includes prioritising research areas and related prerequisites to address national requirements at any given moment. In some instances, entities have not utilised certain aspects of the legal framework. In contrast, other entities cannot expand their scope of activities, for example, to develop into economically independent strategic business units (SBUs) due to restrictions imposed by their current legal status.
Therefore, the proposed organisational restructure must be underpinned by revised legal statutes to support agricultural policies designed for the sector's future growth.
- **Human resource** - The restrictions in recruiting technical staff over long periods have resulted in the loss of expertise due to the inability to plan and implement succession training. This has resulted in low-performance output and performance credibility in many entities. This problem must be addressed. Staff cadre and recruitment must be revised to ensure strategic and systematic recruitment procedures. Strengthening of staff capabilities and tangible avenues for retention of necessary technical expertise. This may be addressed by establishing formal links between universities and research entities existing within the framework of the agriculture sector.
To prevent internal brain drain, the salary of a senior scientist must be comparable to that of a senior professor at the state university system.
Establishing formal research opportunities for university academics and students, along with enabling the awarding of adjunct university professorships, will ensure the implementation of productive, prioritised research programmes. When combined with similar financial incentives for eligible researchers in agri-sector entities, this will aid in retaining trained researchers within the system.
- **Research Activities**—To ensure the productivity and success of the respective commodity value chains, a prioritised, systematic approach to the overall research activities of the respective entities, based on the needs of the agricultural sector, is imperative.
- **Land and Buildings**—While most entities have adequate land and buildings, the timely allocation of adequate operational funds must be ensured to facilitate the effective implementation of planned programmes by the respective entities.

- **Laboratory Facilities** - Consolidate laboratory facilities to optimise human and other resources.
- **Administration** – The administration and key activities of the entity must be addressed with consideration for the harnessing and utilisation of advanced electronic management facilities, modern information and communication technology, computerised data management, and artificial intelligence. Moreover, facilities for online conferencing result in reduced travel time and less paperwork.
- **Field labour** – Lack of sufficient field labour in the entities. The advancement of mechanisation and the potential for machinery use in land preparation, harvesting, irrigation, application of production inputs, and monitoring crop health should be embraced to lessen the labour demands in the entities. Moreover, it is rather challenging to retain the labour force for essential services within agricultural entities due to the arduous nature of fieldwork.
- **Extension and Technology Transfer**—Agriculture research findings and new technology are not readily available to end users due to a devolved and poorly coordinated extension service. Information must flow smoothly from Research through effective Extension services to producers. The fragmented extension service must be handled professionally by specialised, competent staff. Government commitment to an effective system of efficient extension and technology transfer using a blend of modern ICT and AI, with well-trained professional extension staff at the field level, is essential to reaping the benefits of a sound research system.
- **Service-providing entities**—Entities such as the NPQS, ROP, Natural Resource Management Centre (NRMCC) of the DOA, SL-CARP, and other bodies outside the proposed Ministry of Agriculture, including the SLSI, the ITI, the Department of Commerce, the NRC, and the NFS, provide essential value chain functions relevant to all commodities. These entities must be formally linked to the MOA and equipped to deliver their services to stakeholders, ensuring ready access to efficient support.
- **Marketing Engaged Entities** - Entities involved in the marketing aspects of the value chain must develop more focused policies to promote organised production, price stabilisation, and the establishment of sustainable networks for the collection, storage, distribution, and marketing of agricultural produce.
- **Monitoring and evaluation** – The lack of a well-defined monitoring and progress review mechanism contributes to inefficiencies across the sector. Implementing such a system is essential to optimise the performance of all entities within it.

Reflecting on the typical strengths and weaknesses identified within the various entities, it is clear that a fundamental re-evaluation of their roles and functions is necessary to enhance the overall effectiveness of the agricultural sector. With a better understanding of these entities' capacities, we must examine how they fit within the broader context of the value chain. Analysing their functional placement allows us to identify opportunities for collaboration, address areas of redundancy, and pinpoint specific entities that require additional support. This value chain perspective clarifies each entity's contributions and highlights pathways for optimising resources and promoting sustainable agricultural practices

throughout the sector. Therefore, attention shifts towards a detailed assessment of the commodity-based entities and their interconnections within the agricultural value chain.

4.2 Placement of Commodity-Based Entities in the Value Chain

A series of crop-based analyses followed the self-evaluation. The value chain connections of individual commodities or groups of related commodities were analysed about the contribution made by collaborating entities listed in tables from 4.2.1 to 4.2.14. The latter exercise aimed at understanding any duplication in collaboration activities in the value chain with respective commodities and identifying the best options for developing the respective value chains.

4.2.1 The Value Chain Connection: Rice

Rice as a commodity in the value chain and its connection to the value chain is listed in Table 4.2.1, and conclusions drawn from the analysis are listed below the table.

Table 4.2.1: Commodity-based analysis: Rice

Value Chain Connection	Relevant Entities					
1) Research & Development Funding	RRDI	NIPHM	ITI	Private Sector (CIC)	Universities	Collaborative International (IRRI)
2) Extension Services including Training	ETC & NAICC	Provincial Department of Agriculture in 9 provinces PDOA	DOAD	Mahaweli Authority		
3 Production (Paddy)	Production Plan by MOA with SEPC, ETC, SPMD, NRMC, DOAD, IMD, ID, MA	Farmers	Private sector (CIC)			

4) Production (seeds)	RRDI (Breeder seeds), SPMDC (Foundation and Registered seeds)	Private Sector	Farmers			
5a) Paddy Collection	Private agents (mobile and collecting centres)	Millers of Private Sector	Multi-purpose Cooperative Societies (MPCS)	PMB		
5b) Processing and value addition (Rice)	Private millers (large, medium and small scale)	PMB	Farmers	MPCS	Private sector exporters	
6) Storage & Distribution (Rice)	Private millers (Large, medium and small scale)	Private sector exporters	Farmers	PMB	MPCS	FCD
7) Sales and marketing (Rice)	Private millers (Large, medium and small scale)	Wholesalers & Retailers	Multi-purpose Cooperative Societies	Private sector exporters	CWE (Sathosa) /Cooperative	
8) Input supply & Regulating Input Supplies	MOA- NFS, ROP, NPQS	CFC and CCF	Private Sector	ID/IMD/MA	DOAD	DS
9) Agriculture Insurance	Agricultural & Agrarians Insurance Board/MOA	Private sector				
10) Regulatory and Quality Improvements	Consumer affairs Authority	SLSI	Sri Lanka Custom	HADABIMA	Department of Land valuation	
11)Share value chain support services	SL CARP	NRC	NSF	HARTI		

- The RRDI is identified as the lead institute for research on rice production and is recommended to remain as such.

- The NIPHM conducts effective postharvest research and knowledge dissemination in rice processing, while the ITI engages with industry partners in value addition and product development research.
- Universities engage in rice research for the education purposes of undergraduates and post-graduate students.
- The CIC is involved in rice research on grain quality enhancement.
- The International collaboration with IRRI and AFASI provides a platform for exchanging research experience, short-term and long-term training for rice researchers sharing genetic resources, etc.
- Rice extension programmes are implemented by DOA (ETC), PDOA, and Mahaweli Authority. To optimise available resources and effective productivity, the extension needs to be handled by a single entity. As such, the current resources need to be consolidated (i.e., those available with the Mahaweli Authority and PDOA) under the leadership of the ETC of the DOA with extension messages directly sourced from the RRD and generated with the collaboration of the National Agriculture Information and Communication Centre (NAICC).
- Paddy annual production Planning is done by the Ministry of Agriculture along with DOA, PDOA, MA, DOAD and the Irrigation Department. Paddy farmers in the country produce the whole production.
- Seed Paddy Production- Paddy breeder seed is produced by the RRD and transferred to the SPMDC for production of foundation and registered seed. Such seeds are quality controlled by the SCS of the DOA. Private sector collaboration for the generation of certified seed material needs to be promoted.
- Processing and Marketing- Paddy marketing board processed and marketed less than 3% of the annual production while private sector does the rest. The function and role of the PMB needs to be reviewed with respect to price control and Food Security.
- Agriculture & Agrarians Insurance Board/MOA covers drought & flood losses and Elephant damage in rice. Farmers who pay their insurance instalment are eligible for farmer pension scheme.

4.2.2 The Value Chain Connection: Field Crops

Field Crops as a group of commodities which include *Maize, Chile, Big Onion, Pulses (Green Gram, Cowpea, Black gram, Soybean, Kollu etc.), Oil Crops (Sesame and Groundnut) and Finger millet* considered in value chain and their connection to value chain is listed in Table 4.2.2 and conclusions drawn from the analysis are listed below the table.

Table 4.2.2 Commodity-based analysis: Field Crops

Value Chain Connection	Partners (collaborators /competitors)				
1) Research & Development	FCRDI	International collaboration	Private Sector (CIC)	Universities	ITI /NIPHM
2) Extension Services including Training	ETC and NAICC of the DOA	Provincial Department Agriculture in provinces	Mahaweli Authority	NIPHM	

3) Production	Production Plan by MOA with SEPC, ETC, SPMDC, NRMDC, DOAD, IMD, ID, MA	Farmers			
4) Production (seeds)	FCRDI (Breeder seeds), SPMDC (Foundation and Registered seeds)	Farmers	Private Sector		
5) Processing and value addition	Private Sector	Farmers	MPCS	Private sector exporters	
6) Storage	Private Sector	Private sector exporters	Farmers	MPCS	
7) Distribution and marketing	Private Sector	Supermarket	Private Sector Exporters	Multi-purpose Cooperative Societies	
8) Input supply & Regulating Input Supplies	ROP, NPQS	National Fertilizer secretariate	CFC and CCF	DOAD/MA/IMD/DS	Private Sector
9) Agriculture Insurance:	Agriculture & Agrarians Insurance Board/MOA	Private sector			
10) Regulatory and Quality Improvements	SLSI	Sri Lanka Custom	SLGAP of DOA		
11) Share value chain support services	SL CARP	NRC	NSF	HARTI	

1. Research - The FCRDI is the lead institute for research on production of all field crops while the ITI and the NIPHM engage in value addition and post-harvest research.

2. Extension – Extension programmes for Field crops are implemented by DOA, PDOA, and MA. To optimise available resources and effective productivity, extension needs to be handled by a single entity. As such the current resources need to be consolidated (i.e., those available with the MA and PDOA) under the leadership of the ETC of the DOA with extension messages directly sourced from the FCRDI and generated with the collaboration of the NAICC.

3. OFC annual production Planning is done by Ministry of Agriculture along with DOA, PDOA, MA and Irrigation Department. Farmers in the country produce the production.

4. Breeder seed production of field crops carried out by FCRDI and transferred to the SPMDC for production of foundation and registered seed. Such seeds are quality controlled by the SCS of the DOA. Private sector collaboration for the generation of certified seed material needs to be promoted.

5. Agriculture & Agrarians Insurance Board/MOA covers only Soya bean, Maize, Big Onion and Chille for drought & flood losses and Elephant damage. Farmers who pay their insurance instalment are eligible for farmer pension scheme.

4.2.3 The Value Chain Connection: Vegetables and Root & Tuber Crops

Vegetables and Root & Tuber Crops as a group of commodities considered in value chain and their connection to value chain is listed in Table 4.2.3 and conclusions drawn from the analysis are listed below the table.

Table 4. 2.3 Commodity-based analysis: Vegetables, root and tuber crop

Value Chain Connection	Partners (collaborators /competitors)				
1) Research & Development	HORDI	Private Sector	NIPHM	ITI	Universities
2)Extension Services including Training	ETC, NAICC	PDOA	Private sector Companies		
3) Production	Production Plan by MOA with SEPC, ETC, SPMDC, NRMC, DOAD, IMD, ID, MA	Farmers	Production plan for high value highly perishable exotic vegetables by Private companies		
4) Production (seeds and Planting materials)	HORDI &SPMDC	Imported by Private seed companies	Farmers		
5) Produce Collection	Collectors /Mobile Traders	Supermarkets	Multi-purpose Cooperative Societies (MPCS)		

6) Processing and value addition	Private sector	Supermarkets			
7) Storage & Distribution	Dedicated Economic Centres	Wholesale Markets	Private sector		
8) Sales and marketing	Wholesalers & Retailers)	Supermarkets	Private sector exporters	Multi-purpose Cooperative Societies	
9) Input supply & Regulating Input Supplies	ROP and NPQS of the DOA	Fertilizer Secretariate	CFC and CCF	Private Sector	
10) Agriculture Insurance	Agriculture & Agrarians Insurance Board, MOA (Only for Potato)	Private sector			
11) Regulatory and Quality Improvements	SLGAP	SLSI	Sri Lanka Custom		
12) Share value chain support services	SL CARP	NRC	NSF	HARTI	

- The HORDI is the leading institute for research on the production of all vegetables, as well as root and tuber crops. In contrast, ITI and NIPHM concentrate on post-harvest and value-addition research. Private companies research exotic vegetables, particularly highly perishable, high-value varieties that require modern technology.

- Extension programmes for vegetable crops are implemented by ETC, PDOA, and MA. Private sector companies are involved in the extension of some exotic vegetables grown in greenhouses. To optimise available resources and enhance productivity, extension should be managed by a single entity. Therefore, the existing resources need to be consolidated (i.e., those currently available with the Mahaweli Authority and PDOA) under the leadership of the Extension Training Centre of the DOA, with extension messages sourced directly from HORDI and developed in collaboration with the National Agriculture Information and Communication Centre (NAICC). Private sector companies are also involved in extension for some selected vegetables and potatoes.

- Production is done by small farmers. At present, greenhouse cultivation is done by private companies for exportation and Hotel industry.

HORDI produces breeder seeds for HORDI-developed vegetable crops, which are then transferred to the SPMDC to produce foundation and registered seeds. The DOA's SCS quality-controls these seeds. Promoting private-sector collaboration to generate certified seed material is necessary. Private seed companies import all temperate and some other vegetable crop seeds.

Processing, value addition, storage, and marketing of vegetable crops and root and tuber crops have been undertaken by the private sector.

The Agriculture & Agrarians Insurance Board/MOA covers only Potato crop losses due to drought, flood, and Elephant damage. Farmers who pay their insurance instalments are eligible for the farmer pension scheme.

4.2.4 The Value Chain Connection: Fruit Crops

Fruit crops, as a group of commodities, are considered within the value chain, and their connection to the value chain is shown in Table 4.2.4. The conclusions drawn from the analysis are detailed below the table.

Table 4.2.4 Commodity-based analysis: Fruits

Value Chain Connection	Partners (collaborators /competitors)					
1) Research & Development	FRDI	FCRDI	ITI	NIPHM		
2) Extension Services including Training	FRDI,	Extension & Training, Centre of the DOA	Private Sector	NIPHM	Mahaweli	PDO OA
3) Production	Private Sector	Smallholders	Home gardens			
4) Production Planting material	Seed and Planting Material Centre	Private sector	Smallholders			
5) Processing and value addition	Private Sector	SMEs				
6) Collection and Distribution	Private Sector	Smallholders				
7) Sales and marketing	Private Sector	Exporters	EDB	Department Commerce		
8) Input supply & Regulating Input Supplies	Fertilizer Secretariat and	Private Sector	ROP and NPQS of DOA	CFC and CCF		
9) Agriculture Insurance	No					

10) Regulatory and Quality Improvements	NPQS	SLGAP of DOA	SLSI			
11) Share value chain support services	SL CARP	NRC	NSF	HARTI		

- The FRDI is the leading institute for research on fruit production. The ITI and the NIPHM focus on post-harvest and value-added research.
- Fruit crop-related extension programmes are implemented by PDOA, DOAD, IMD, and the Mahaweli Authority. To optimise available resources and enhance productivity, extension should be managed by a single entity. Consequently, the current resources need to be consolidated (i.e., those available with the Mahaweli Authority and PDOA) under the leadership of the Extension Training Centre of the DOA, with extension messages directly sourced from the FRDI and generated in collaboration with the National Agriculture Information and Communication Centre (NAICC). The private sector also conducts extension for selected fruit crops.
- The main production comes from smallholders and home gardens. Very few commercial farms are involved in fruit production.
- The FRDI and SPMD farms produce mother planting material for specific fruit crops for production of registered planting materials. Those planting materials are certified by the SCS of the DOA. Registered Private sector nurseries also produced certified planting materials. Private sector collaboration for generating certified planting material needs to be promoted.

4.2.5 The Value Chain Connection: Floriculture

Table 4.2.5 lists flowering plants as a group of commodities considered in the value chain and their connection to the value chain. The conclusions drawn from the analysis are listed below the table.

Table 4.2.5 Commodity-based analysis: Floriculture

Value Chain Connection	Partners (collaborators /competitors)				
1) Research & Development	DNBG	HORDI	Private Sector	Universities	
2) Extension Services including Training	DNBG	Private Sector	DOA	PDOA	
3) Production	Private Sector	Floriculture Societies	Smallholders		
4) Production planting material	Private Sector	DNBG			
5) Processing and value addition	Private Sector				

6) Storage & Distribution	Private Sector				
7) Sales and marketing	Private Sector	Smallholders	EDB		
8) Input supply & Regulating Input Supplies	National Fertilizer Secretariat	Private Sector	CFC and CCF	ROP and NPQs DOA	
9) Agriculture Insurance	Private				
10) Regulatory and Quality Improvements	Customs	SLSI	FCD		
12) Share value chain support services	SL CARP	NRC	NSF		

- DNBG has been the leading institute for research on floriculture and ornamental plants since 2005. Prior to this, the Botanical Garden Division of DOA conducted research and extension programmes, including providing technical advice to promote the development of the floriculture industry and training trainers related to these crops. Currently, DNBG handles the extension. As the sector extends across the country, DOA and PDOA continue to engage in extension activities.

- The DODB and the private sector continue the production of planting materials to meet quality and quantity targets.

- The function and role of DNGB are to be revisited to merge with the DOA.

4.2.6 The Value Chain Connection: Spice Crops

Table 4.2.6 lists **Spice Crops** as a group of commodities considered in the value chain and their connection to the value chain. The conclusions drawn from the analysis are listed below the table.

Table 4.2.6 Commodity-based analysis: Spices

Value Chain Connection	Partners (collaborators /competitors)				
1) Research & Development	DEA	Privat Sector	ITI	University	
2) Extension Services including Training	DEA	Private Sector			
3) Production	Smallholdings				
4) Production Planting material	DEA Nurseries	Private Sector Registered Nurseries			
5) Processing and value addition	Private Sector	Smallholdings			

6) Collection	Private sector	Smallholdings			
7) Sales and marketing	Private sector	Smallholdings	EDB	Dept. of of Commerce	SAPMB
8) Input supply & Regulating Input Supplies	Fertilizer Secretariat	ROP and NPQs of DOA	CFC and CCF		
9) Agriculture Insurance					
10) Regulatory and Quality Improvements	DEA Quality Standards	GAP on EACs	SLSI	GI(NIPO;DEA)	
12)Share value chain support services	SL CARP	NRC	NSF		

- The DEA is the lead institute for research on production and value addition of spice crops. The ITI conducts value addition research.
- Spice related extension programmes are implemented by DEA.
- Production is entirely undertaken by small holding farmers
- Seed and Planting material: Quality planting material of Spices are produced by DEA nurseries and Private sector registered nurseries
- Value addition and marketing are mainly done by the private sector

4.2.7 The Value Chain Connection: Tea

Table 4.2.7 lists tea as a commodity considered in the value chain and its connection to the value chain. The conclusions drawn from the analysis are listed below the table.

Table 4.2.7 Commodity-based analysis: Tea

Value Chain Connection	Partners (collaborators /competitors)				
1) Research & Development	TRI	Universities			
2) Extension Services	TRI	THSDA	Private sector	Input suppliers	SLTB
3) Production	State owned/company owned estates	Private sector >50 ac	Tea smallholders <50 ac		
4) Production of planting material	Commercial tea Nurseries	THSDA	TRI		
5) Processing and value addition	Private Sector	TRI	Manufacturing Cooperatives Pvt. Ltd		

6) Storage for auction weekly	Private Sector (brokers and buyers)				
7) Sales and marketing	SLTB - Marketing	Private Sector	EDB	Department of Commerce	
8) Input supply & Regulating Input Supplies	Private sector	Registrar of Pesticide	NPQS	CFC and CCF	
9) Agriculture Insurance	Private Sector				
10) Regulatory and Quality Improvements		SLSI			
11) Share value chain support services	SL CARP	NRC	NSF		

- The tea industry in Sri Lanka is well established, and it interacts with producers, extension services, and research from the TRI, which is the lead research entity responsible for research on tea.
- The restructuring recommendation is that the TRI remain the lead tea research centre and an advisory service provider to the large tea plantation companies on a fee-levying basis.
- It is suggested that a Technology Transfer Division of the TRI should undertake the training responsibilities of the extension staff of the TSHDA.
- Extension and training restructuring recommendation is that the extension officers of the TSHDA be responsible for the extension and training of tea cultivation, harvesting, collecting, transportation, and processing and be made accountable for adopting technologies and good agricultural practices in the field. The TSHDA must work closely with the primary Centre at Talawakelle and six Regional Extension Centres in Ratnapura, Kandy, Passara, Galle, Deniyaya and Kalutara.
- Other considerations required in the tea industry are also mentioned. The replanting cycle must be shortened in VP compared to seedling tea. The issue of quality planting material from nurseries must be ensured. Tea promotion is the work of TDB, and brand marketing is the responsibility of the companies. Input supply for tea smallholders is an essential function of tea societies and should be promoted. Regarding regulatory and quality improvements, the traceability of residue levels in the source of green leaf is difficult. Record keeping is necessary for traceability.

4.2.8 The Value Chain Connection: Rubber

Rubber, as a commodity considered within the value chain, is outlined in Table 4.2.8, and the conclusions drawn from the analysis are presented below the table.

Table 4.2.8 Commodity-based analysis: Rubber

Value Chain Connection	Partners (collaborators /competitors)				
1) Research & Development	RRI				
2) Extension Services including Training	RDD	RRI			
3) Production	Smallholders	Govt. Plantation Companies (RPCs)	Private sector (estates)		
4) Production planting material	Govt. Plantation Companies (RPCs)	RDD	Private sector	Smallholders	
5) Latex collection	Factories	Private Sector			
5) Processing and value addition	Private Sector	Smallholders, Societies	Govt. Plantation Companies (RPCs)		
6) Storage & Distribution	Brokers	Private sector			
7) Sales and marketing	Brokers	Private sector	Govt. Plantation Companies (RPCs)	Department Commerce	EDB
8) Input supply & Regulating Input Supplies	Fertilizer Secretariat	Private Sector	CFC and CCF	ROP and NPQs	
9) Agriculture Insurance	Private Sector				
10) Regulatory and Quality Improvements	RDD	MPQS	ROP	SLSI	
11)Share value chain support services	SL CARP	NRC	NSF		

- RRI responsible for rubber research
- Both RDD and RRI are involved in extension activities. The RDD, the central entity on extension service, conducts general training for smallholders and vocational training for tappers who are usually engaged in over 5ac of rubber lands.
- The Advisory Services Department (ASD) of the RRI aims to increase the productivity of rubber smallholders & enhance their income levels and social status. The ADS of the RRI transfers technology directed at sustainable rubber production, marketing, mobilising and organising farmer groups, building human resources and enhancing the local capacity of rubber smallholders.
- Latex collected by smallholders, government rubber plantation companies and the private sector is processed in manufacturing industries. Ribbed Smoked Sheet (RSS) is made mainly by small-scale and medium-scale estates, while the private sector makes crepe rubber and centrifuged rubber.
- There are no restructuring recommendations for rubber.

4.2.9 The Value Chain Connection: Coconut

Coconut as a commodity considered in value chain and their connection to value chain is listed in Table 4.2.9 and conclusions drawn from the analysis are listed below the table.

Table 4.2.9 Commodity-based analysis: Coconut

Value Chain Connection	Partners (collaborators /competitors)				
1) Research & Development	CRI	ITI on value addition	Universities		
2) Extension Services including Training	CCB	CRI			
3) Production (end products: coconut, young coconut)	Private Sector	Government Owned Estates	Small Holdings (1 to 5 ha)	Home Gardens	
4) Production planting material (seedlings)	CRI	CCB	Private Sector		
5) Processing and value addition	Private sector	Private sector exporters	Government Owned Estates	Cottage industries	Homes
6) Storage & Distribution	Private Sector	Private sector exporters	Government Owned Estates	Small Holdings (1 to 5 ha)	
7) Sales and marketing	CDA	Dept of Commerce	Private Sector	Exporters	EDB
8) Input supply & Regulating Input Supplies	DOA (Registrar of pesticides and NPQS)	Government Supplies /Fertilizer secretariate	Private Sector	CFC and CCF	DOA
9) Agriculture Insurance	Private sector				
10) Regulatory and Quality Improvements		Department of Commerce	SLSI		
11)Share value chain support services	SL CARP	NRC	NSF		

●The Coconut Research Institute (CRI) is the leading research institute for coconut cultivation. The ITI engages in value-added research on coconuts.

●The restructuring recommendation is that research, including coconut intercropping, undertaken by other entities should require collaboration with the CRI.

The CRI, as the research institute, produces extension messages. The responsibilities of the extension functions are managed by the Coconut Cultivation Board (CCB). The CCB has a network of Coconut Cultivation Officers who carry out the duties of extension activities, new planting/replanting, providing subsidies, and supplying planting materials.

Few government estates produce coconuts, while smallholders are the primary contributors to coconut production.

The Coconut Development Authority (CDA) oversees the development of the coconut industry in Sri Lanka. It facilitates the establishment of contacts with international networks of buyers and coordinates advantageous trade events, among other activities. Additionally, the CDA engages in quality control for coconut products.

4.2.10 The Value Chain Connection: Sugarcane

Sugarcane is a commodity considered in the value chain. Its connection to the value chain is listed in Table 4.2.10, and the conclusions drawn from the analysis are listed below the table.

Table 4.2.10 Commodity-based analysis – 10. Sugarcane

Value Chain Connection	Partners (collaborators /competitors)			
1) Research & Development	SRI			
2) Extension Services including Training	SRI			
3) Production	Government Companies	Government Shareholding Companies	Smallholders	
4) Production Planting material	Government companies	Government Shareholding Companies	Smallholders	
5) Processing and value addition	Government companies	Government Shareholding Companies	Smallholders	
6) Collection	Government companies	Government Shareholding Companies	Smallholders	
7) Sales and marketing	Government companies	Government Shareholding Companies	Smallholders	
8) Input supply & Regulating Input Supplies	Fertilizer Secretariat	Private sector	CFC and CCF	ROP and NPO

9) Agriculture Insurance	-			
10) Regulatory and Quality Improvements	SLSI	SL Customs		
11) Share value chain support services	SL CARP	NRC	NSF	

- Research: SRI contributes to the Sugarcane research.
- Extension: SRI provide necessary extension
- Government/ Government shareholding companies do value addition and marketing.
- Expansion of production is to be considered as sugar is a primary importing product.

4.2.11 The Value Chain Connection: Palmyra

Table 4.2.11 lists Palmyra as a commodity considered in the value chain and its connection to the value chain. The conclusions drawn from the analysis are listed below the table.

Table 4.2.11 Commodity-based analysis: Palmyra

Value Chain Connection	Partners (collaborators /competitors)			
1) Research & Development	PRI	ITI	Universities	
2) Extension Services including Training	Cooperative Societies Pvt. involved in Palmyra industry		PDB, PRI	
3) Production	Smallholders			
4) Production Planting material	Smallholders			
5) Processing and value addition	PDB	Cooperative Societies Pvt. Lts		
6) Collection	PDB	Cooperative Societies Pvt. Lts		
7) Sales and marketing	PDB	Cooperative Societies Pvt. Ltd		
8) Input supply & Regulating Input Supplies	Private Sector			

9) Agriculture Insurance				
10) Regulatory and Quality Improvements	PDB	SLSI		
11) Share value chain support services	SL CARP	NRC	NSF	

- PRI conducts research on Palmyra, while extension, production planning, planting material production, value addition, and marketing are the responsibilities of PDB. PDB can collaborate with Cooperative Societies Pvt. Ltd for efficient functioning.

4.2.12 The Value Chain Connection: Cashew

Cashew as a commodity considered in value chain and their connection to value chain is listed in Table 4.2.12 and conclusions drawn from the analysis are listed below the table.

Table 4.2.12 Commodity-based analysis: Cashew

Value Chain Connection	Partners (collaborators /competitors)			
1) Research & Development	SLCC			
2) Extension Services including Training	SLCC			
3) Production	SLCC	Smallholders		
4) Production Planting material	SLCC	Smallholders		
5) Processing and value addition	SLCC	Private sector exporters	Smallholders	Confectionary Industries
6) Collection	Private Sector	Smallholders		
7) Sales and marketing	SLCC	Private Sector	Smallholders	
8) Input supply & Regulating Input Supplies	National Fertilizer Secretariat	Private sector	CFC and CCF	NPQS and ROP
9) Agriculture Insurance				

10) Regulatory and Quality Improvements	SLSI			
11) Share value chain support services	SL CARP	NRC	NSF	

- The SLCC undertakes research and extension. The main plantations are owned by the SLCC. Planting materials are mainly supplied by the SLCC and smallholder nurseries. Processing is undertaken by the private sector exporters. Both local market and export markets are available.
- It is advisable to revisit for including cashew under the DEA to utilize infrastructure facilities for research and development of the cashew industry in addition to the experience in handling exportable crops.

4.2.13 The Value Chain Connection: Fisheries and Aquatic Resources

Fisheries and Aquatic Resources as a commodity considered in value chain and their connection to value chain is listed in Table 4.2.13 and conclusions drawn from the analysis are listed below the table.

Table 4.2.13 Commodity-based analysis: Fisheries and Aquatic Resources

Value Chain Connection	Partners (collaborators /competitors)			
1) Research & Development	NARA (research)	DFAR (development)	NAQDA (development)	CFHC (development)
2) Extension Services including Training	DFAR	NAQDA		
3) Production	Smallholders of fisheries catching	Private sector Farming		
4) Production fingerlings	NAQDA	NARA	Private Sector	Smallholders
5) Processing and value addition	Private Sector			
6) Storage & Distribution	Private Sector	DFAR		
7) Sales and marketing	Private Sector	CFC	Smallholders	

8) Input supply & Regulating Input Supplies	Private Sector			
9) Agriculture Insurance	Agriculture & Agrarian Insurance Corporation			
10) Regulatory and Quality Improvements	DFAR	SLSI		
11) Share value chain support services	SL CARP	NRC	NSF	

The seven entities involved in fisheries and aquatic resources

- The Department of Fisheries and Aquatic Resources (DFAR) is involved in the development activities. The DFAR has 15 district offices in the coastal districts.
- The National Aquatic Resources Research and Development Authority (NARA) conducts fisheries research
- The National Aquaculture Development Authority (NAQDA) is responsible for developing inland and coastal fisheries, including the prawn industry. It takes responsibility for the inland fish industry and supports the inland fishery by supplying fingerlings to irrigation tanks and looking after organised fishing communities. The inland fishing industry may require a publicity campaign to increase production, marketing, and value addition.
- Ceylon Fisheries Cooperation (CFC) is tasked with guiding and promoting fish production and trade to benefit consumers and producers.
- The CFHC is responsible for providing fishery support services by developing fishing harbours.

4.2.14 The Value Chain Connection: Animal Production and Health

Table 4.2.14 showcases Animal Production and Health as commodities featured within the value chain, along with their interconnections. The conclusions derived from the analysis are provided beneath the table.

Table 4.2.14 Commodity-based analysis – 14. Livestock

Value Chain Connection	Partners (collaborators /competitors)				
1) Research & Development	DAPH	Universities	Private sector	ITI	WHO
2) Extension Services including Training	PDAPH (VS, LDO)	Private Sector			

3) Production	NLDB	Private Sector	Smallholders		
4) Production of breeds (young)	NLDB	Other Government Farms	Private sector	Smallholders	
5) Processing and value addition	Private Sector	Government Farms	Smallholders		
6) Storage & Distribution	Private Sector	Government Farms			
7) Sales and marketing	Private sector	Government farms			
8) Input supply & Regulating Input Supplies	Private Sector	DAPH			
9) Agriculture	Private sector				
10) Regulatory and Quality Improvements	PHI	SLSI	Registrar of Pesticide	Plant quarantine	

- The DAPH is solely responsible for livestock research. The farms run by the NLDB and the private sector use modern technology comparable to that of developed countries.
- The DAPH develops the extension messages and passes them to the PDAPH for extension work. The DAPH also conducts the necessary training for the extension workers.
- Poultry production has been developed by the private sector, with contract farming systems that involve individual smallholders.
- Regarding dairy production in the current context, a minimum of 20 cows in a single production unit is essential for economic viability. Suppose smallholders keep a few cows within a production unit. In that case, it is feasible to operate these small units profitably by organising producers into Cooperative Societies or Companies registered under the Companies Act. As a result, smallholders can emulate the characteristics of a large production unit by facilitating collection, processing, and marketing, along with a collective supply of inputs and veterinary services.
- The restructuring recommendation is to recognise and support beef and meat production. The government must support the beef industry alongside the dairy production units. The demand for beef is increasing in tandem with improved tourism. Approximately 50% of the calves delivered by cows are male (bull calves). Currently, male calves are eliminated at birth due to a lack of government policy and support for beef production.

This analysis evaluates the institutional capacities of the public sector to perform value chain functions. Agricultural research, extension, production, trade, and marketing are the value chain components analysed. The focus of the analytical method is to assess the effectiveness of public entities' capacity to carry out the identified value chain functions that address issues in crop subsectors. The extent to which the public agencies or entities undertaking these functions are evaluated by the relevance of the roles and responsibilities assigned by the mandate, the effectiveness of the strategies they adopt in performing the specific functions, and the degree to which the institutes have succeeded in achieving their targets. Through this, the overall gap in institutional capacity to fulfil the public role, the relevance of the private sector in effectively performing some public functions compared to the public sector, the necessity for public-private partnerships, the gaps in the mandates of relevant institutes, resource management deficiencies, and opportunities for resource sharing, among others, are identified.

4.3. Strengthening the value chain

4.3.1 Agriculture Research

Research is an essential component of the agriculture value chain and must cover all elements to ensure food security and safety. It requires the investment of funds from the public and other sources. Entities engaged in research fall into two categories, i.e., (1) those that prioritise research areas, dispense funds for implementation of research programmes, and monitor the return from the investment in terms of progress and the final outputs and outcomes of the programmes. (2) entities that win contracts and grants available for research and engage in the implementation of research programmes.

Prerequisites for obtaining the expected returns from the monetary investment made in this step of the value chain include:

- Identifying and formulating research programmes with adequate allocation of funds to address national priority areas such as food security, health and nutrition, foreign exchange earning potential, environmental protection and conservation of national resources, etc.
- The retention of experienced researchers capable of leading effective multidisciplinary teams, addressing identified research programmes, and servicing this value chain component.
- A sufficient pool of young researchers to support and collaborate with the respective multidisciplinary teams of lead researchers.
- The development of expertise across all disciplines pertinent to the agricultural sector, along with international collaboration to keep abreast of new technologies and to train young researchers in advanced international laboratories.

- Retaining research expertise within the country is essential for achieving national development goals related to agriculture and for preventing the ongoing issue of brain drain.

The agricultural research organisations currently involved in productivity enhancement and primary processing research are categorised into the following commodity groups:

1. Plantation Crop Research: TRI, RRI, CRI, SRI, PRI, SLCC
2. Spice Crop Research: DOEA
3. Food Crop Research: RRDI, FCRDI, HORDI, FRDI
4. Floriculture Research: DNBG
5. Animal Production and Health Research - VRI
6. Marine and Inland Fish Research: NAQDA and NARA

Table 4.3.1 : Research Entities and Sub Stations For Production and Primary Processing Research

Research Entity	Sub Stations	Mandatory Commodity/ies
Plantation Crops		
Tea Research Institute Thalawakelle	1. Mid Country Regional Center, Kandy 2. Low Country Regional Center, Ratnapura 3. Uva Extension Center 4. Galle Extension Center 5. Deniyaya Extension Center 6. Kalutara Extension Center	Tea
Rubber Research Institute Agalawatta	1. Dartonfied 2. Nivithigalakele 3. Kuruwita Substation 4. Polgahawela Substation 5. Moneragala Substation	Rubber
Coconut Research Institute Lunuwila	-	Coconut
Palmyra cultivation Board, Jaffna	1. Palmyra Research Institute Jaffna	Palmyra
Sri Lanka Cashew Cooperation	1. Kamandaluwa Research Station, Andigama 2. Puththlam Research Station, Puttalama	Cashew
Sugar Research Institute Pelwatta		Sugar Cane
Spice Crops		
Central Research Station, Matale under DOEA	1. Cinnamon Research and Training Center, Palolpitiya, Matara 2. Intercropping and Betel Research station, Narammala 3. Tissueculture and Plant propagation center- Walpita 4. Tissueculture and Plant propagation center- Kundasale	Vanilla, Turmeric, Pepper, Nutmeg, Citronella, Garcinia, Ginger, Coffee, Cocoa, Clove, Cardamon, Betel, Areca nut, Lemongrass, Kithul

	5. Tissue culture and Plant propagation center- Nillambe 6. Mid-Country Research station, Kandy	
Department of Cinnamon Development, Karadeniya, Galle		Cinnamon
Food Crops		
Rice Research and Development Institute Batalagoda	Regional Rice Research & Development Center- Bombuwela Rice Research Station, Ambalantota Rice Research Station, Labuduwa Rice Research Station, Bentota Rice Research Station, Murunkan Rice Research Station, Paranthan Rice Research Station, Samanthurai	Rice
Field Crops Research and Development Institute Mahailluppallama	1. Grain Legume and Oil Crops Research and Development Center, Angunakolapellesa 2. Agriculture Research station Weerawila 3. Regional Agriculture Research Center, Aralaganwila 4. Regional Agriculture Research Center, Kilinochchi 5. Agriculture Research station, Thirunelweli 6. Adaptive Research Center, Vaunia 7. Farm Mechanization Research Center, Mahailluppallama	Maize, Chile, Big Onion, Pulses (Green Gram, Cowpea, Black gram, Soybean, Kollu), Oil Crops (Sesame and Groundnut) and Finger millet
Fruit Crop Research and Development Institute Horana	1. Fruit Crops Research and Development Station, Peradeniya 2. Plant Virus Indexing Center, Homagama 3. Rambutan Research Unit, Eraminigolla 4. National Fruit Variety Conservation Center, Kundasale 5. Agriculture Research Station, Rahangala 6. Regional Agriculture Research and Development Center, Makandura	Banana, Mango, Annona, Papaw, Pineapple, Passion fruit, Wood Apple, Lemon & Lime, Guava, Durian, Pomegranate, Watermelon and other traditional fruit crops etc.
Horticulture Research and Development Institute Gannoruwa	1. Regional Agriculture Research and Development Center, Bandarawela 2. Agriculture Research and Development Center, Girandurukotte 3. Agriculture Research Station, Thelijjawila 4. Agriculture Research Station, Seetha Eliya 5. Agriculture Research Station, Kalpitiya 6. Adaptive Research Unit, Wariyapola 7. Adaptive Research Unit, Wagolla 8. Adaptive Research Unit, Thabbowa 9. Adaptive Research Unit, Thibbatumulla 10. Food Research Unit, Gannoruwa	priority group 1: Brinjal, Tomato, Bean, Potato, Capsicum, Pumpkin, Okra and Bitter gourd priority group 2: Cucumber, Yard long bean, Luffa, Snake gourd & Spine gourd, Leafy vegetables priority group 3: Carrot, Beet, Leek, Cabbage, Radish, Cole crops, Ash pumpkin, Chinese cabbage, Cauliflower,

		Broccoli and Traditional vegetables. Root and tuber crops: Potato, Manioc, Innala, and other Local Yams Value Chain Research on food crops
Floriculture		
Department of National Botanical Garden (DNBG)		Ornamental and flowering plants
Fish		
National Aquaculture Development Authority (NAQDA)	Fresh water fish, Marine Fish, Ornamental Fish	Merge NAQDA and NARA Research Divisions
National Aquatic Resources Research and Development Agency (NARA)	Marine Fish	
Animal Production		
Department of Animal Production and Health	VRI	Dairy, Goat, Pigs, Poultry etc.

4.3.1.a. Drawbacks of Current structure

The self-evaluation and stakeholder interaction meetings identified the following drawbacks in the current agriculture research system.

1. No national research priority programme has been identified for the sector.
2. Agricultural sector researchers distributed across three ministries
3. Most research programmes lack a multidisciplinary approach, with one or two researchers working in isolation within very small subunits, and often miss the opportunity to collaborate with senior researchers to share knowledge and experience.
4. Lack of a robust common selection procedure for recruiting talented intellectuals for research.
5. Disparity in salary scales between universities and other research institutes.
6. Limited opportunity to utilise the advanced laboratory facilities available at other institutes.
7. Insufficient research monitoring and evaluation system in the sector.

4.3.1.b. Recommendations

1. Reorganise the current research entities, associated substations, and units while consolidating resources.

2. Establish prioritised research programmes, ensuring competitive funding opportunities are available to implement them.
3. Establish agencies as outlined in the restructuring model to improve research productivity and output, for example,
 - National Plantation Crops Research Agency: TRI, RRI, CRI, SRI, PRI, SLCC, and their substations.
 - National Spice Crops Research Agency, Central Spice Research Centre, Matale, and their sub-stations under DOEA.
 - National Food Crops & Floriculture Research Agency: RRDI, FCRDI, FCRI, HORDI, Research Division of DNBG. (FCRDI, FRDI and HORDI could merge to form the Food Crop Research Centre at Mahalluppallama to utilise resources effectively.)
 - National Animal Production and Health Research Agency: VRI of DAPH
 - National Fisheries and Aquaculture Research Agency: Merge NARA with NAQDA
4. Revise the legal status of these agencies with provisions that will enable entities to operate with levels of autonomy, such as functioning as strategic business units (SBUs), developing strategies for financial capacity building, and upgrading technical expertise.
5. Establish an administrative platform for formal connections between National Universities and the Research Centres affiliated with Research Agencies within the system, as well as those outside the “Umbrella” Ministry of Agriculture, that are actively contributing to value chains in the agri-sector. This will facilitate multidisciplinary collaborative engagement among researchers and the pooling of academic expertise and other resources. Recruiting postgraduate students will economise on staff expansion within research entities when implementing prioritised national research projects. Troubleshooting and addressing the research needs of private sector agro-industries will expose research students to the economic significance and application of their research. Interaction with the private sector will provide graduates with the opportunity to be employed by the private sector stakeholders benefiting from the respective research programmes.
6. Ensure financial provision for the planning and implementing effective human resource development for scientists engaged in research programmes.
7. Encourage international research collaboration in designated national priority areas.

4.3.1.c. Common Strength of the Proposed Restructure

- Provide opportunities to identify national agricultural research needs in the country, prioritising areas of research to plan for faster growth in the local production system, reduce food imports, and secure the food and nutrition status of the nation.
- Utilise human resources and available assets effectively and efficiently.
- Multidisciplinary research approach to enhance the quality of research
- Facilitating collaboration with international research organisations and the private sector.

- Ongoing assessment and review of the output
- Encourage the development of agriculture as an industry that generates additional job opportunities.

While Sri Lanka has made tremendous advances in the commercial production of plantation crops, including cinnamon, and in achieving self-sufficiency in rice, this is not the case for other spices and food crops. This is reflected in the dietary intake of much of the population.

In the past, research priorities adopted by public institutions for food crops were based on enhancing the productivity of small farmers, particularly concerning rice. However, current policy recognises the need for commercial agriculture to achieve national food security and foreign exchange from exportable primary and processed food crops. Research inputs and the introduction of progressive advanced technology are crucial to optimising the productivity of the entire agriculture sector, which includes plantations and food crops, spices, fisheries, and livestock.

4.3.2 Processing and Value Addition

4.3.2.a. Drawbacks of Current Structure

Processing is associated with adding value to primary agricultural produce. It is in the hands of the private sector in cottage industries, small and medium enterprises, or commercial operations on a larger scale. Cottage and small and medium-scale industries often have difficulty marketing their products due to their lack of technical know-how and ability to meet quality standards required by lucrative markets. Commercial processing enterprises, on the other hand, have difficulty sourcing adequate volumes of quality raw material for operating commercially viable enterprises.

Implementing policies that encourage organised production and collective smallholder farming systems will not only enhance productivity and the supply of sufficient volumes needed for commercial value addition and processing operations, but also empower farmers with bargaining power for better prices when selling their produce, resulting in improved economic returns for smallholder farmers. Raising awareness about the benefits of organised production and collective farming practices, along with providing incentives to promote such systems, will tackle the issue of inadequate quality and quantity of raw material supplies faced by entrepreneurs involved in agro-industries and value addition enterprises.

It is necessary to educate farmers in primary production on growing varieties suited for processing purposes and provide them with quality seed and planting material. However, economies of scale meant that small farmers could not afford to adopt new technology, and collective farming systems allowed for the sharing of resources more equitably.

The technology developed in research entities is rarely commercialised. This is due to the gap between the development of technology and the scaling-up process necessary for commercial production. To promote the growth of processing and value-adding industries in the

agriculture sector, it is necessary to establish centres with facilities that include technical expertise for technology transfer, scaling-up, and adoption. Such facilities should also be provided for entrepreneurs to establish commercially viable operations.

4.3.2.b. Recommendations

- Introduce policies and incentives to promote organised production.
- Institutes such as the proposed Postharvest Centre (National Institute of Postharvest Management) and the ITI should engage in research programmes to develop, adapt, or generate new technology and be equipped to bridge the gap between laboratory technology and commercialisation. These institutes need to be equipped with adequate technical expertise and infrastructure facilities to function as technology resource hubs that can accommodate start-up commercial operations.
- Institutes should be empowered to foster the creation of public-private links and partnerships.

4.3.3 Agriculture Extension & Transfer of Technology

Agricultural extension involves connecting the end - users of research, agricultural entrepreneurs, farmers, and research systems. Communication, education and training, monitoring and evaluation, as well as planning and policy formulation, are also crucial aspects of extension. The figure below illustrates the model of agricultural extension.

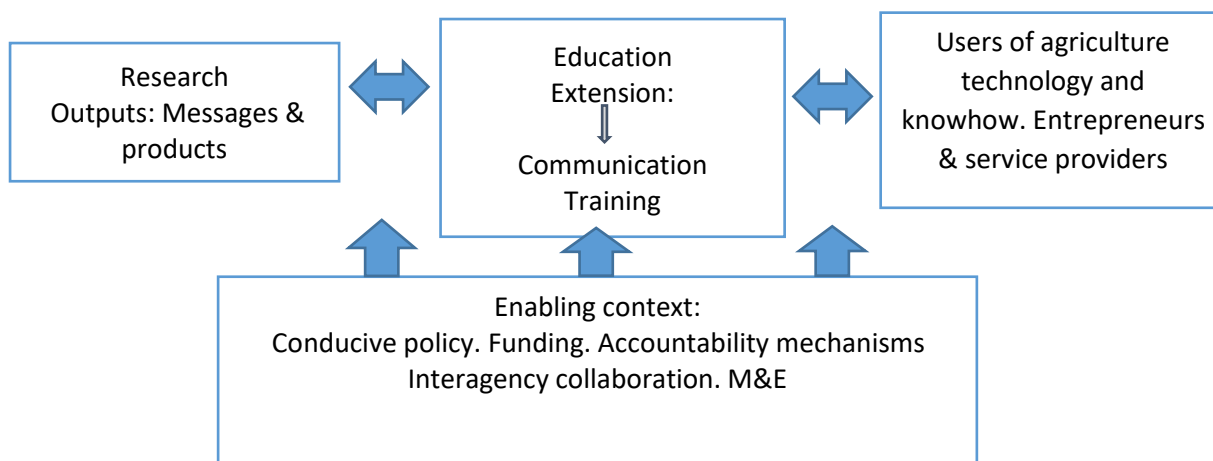


Figure 4.1: Model of Agriculture Extension

In the present context, modernising agriculture represents a crucial government policy thrust. Modernisation efforts must encompass all stages of the value chain and promote both individual and collective entrepreneurship. Currently, technology transfer and extension services (TTES) are carried out by numerous state agencies and the private sector. Furthermore, the primary platform, the provincial technical working groups (PTWG), where

research, extension, and farmer dialogue occur, struggles to function effectively due to inefficiencies in coordination, divisiveness, and a lack of accountability.

A complex of agencies undertakes research and provides users with knowledge and technology. The commodity analysis shows that the final beneficiary stakeholder is serviced by many agencies.

Research is undertaken by:

1. The Tea Research Institute, Talawakelle and its substations.
2. The Coconut Research Institute, Lunuwila
3. The Rubber Research Institute, Agalawatta, and Ratmalana
4. Sri Lanka Cashew Corporation
5. Palmyrah Development Board Palmyrah Research Institute, Jaffna
6. Sugar Research Institute, Palwatta
7. Department of Export Agriculture, Matale and substations
8. Rice Research and Development Institute, Batalagoda and Substations
9. Field Crops Research and Development Institute, Mahalluppallama and Substations
10. Fruit Research and Development Institute, Horana and Substations
11. Horticulture Research and Development Institute, Gannoruwa and Substations
12. Department of Animal Production and Health.
13. Veterinary Research Institute
14. National Aquaculture Development Authority (NAQDA), Battaramulla
15. National Aquatic Resources Research and Development Agency (NARA), Colombo
16. Department of Botanical Gardens
17. Industrial Technology Institute, Colombo
18. National Institute of Postharvest Management, Anuradhapura

Extension, advisory and training is provided by DOA (ETC) and other arms in Plantations spices, livestock, fisheries etc., in addition to all the above research organizations as well as the nine Departments of Agriculture of the Provincial Councils and the Mahaweli Development Authority.

The extension and advisory services are provided for the following commodity clusters:

1. Plantation crops
2. Food crops and Floriculture
3. Spice crops
4. Animal Production and Health
5. Fisheries & Aquaculture

Research agencies provide agricultural advisory services directly to producers and entrepreneurs in the sector. Furthermore, extension and advisory services are offered by private sector entities, alongside some coordination with state agencies. Service seekers also

have the option to access agricultural and entrepreneurship/business support services directly online and through social media. In contemporary times, the extension and advisory landscape is complex, more democratic, and poses challenges for a monopolistic state system, requiring reform and adaptation to remain relevant.

Extension service delivery personnel must possess the necessary commodity-specific knowledge when assisting various farmers and agricultural entrepreneurs.

Further, the private sector and producer organisations also provide extension services without burdening the government or taxpayers financially. Such private-public partnerships have high potential for development.

Main challenges

Inferences derived from the commodity analysis and the self-analysis of entities.

1. As shown in the map (Figure 1), land-based agriculture is very complex and dominated by smallholders.
2. There are significant regional and local variations in climatic zones, soil types, water management practices, crops cultivated, livestock management, land tenure, entrepreneurship and market orientation, utilisation of modern technology, women's participation, farmer wellbeing, collective action, and so forth.
3. Dialogue among agents involved in agricultural production planning, research, and extension is limited.
4. The commodity-specific and fragmented nature of agricultural extension service delivery results in insufficient support at the field level.
5. There is a lack of an integrated information management system for research, production, and extension advisory services.
6. The data of agricultural entrepreneurs and farmers are not compiled in a national database nor linked to a Management Information System for the optimal use of ICT or farmer wellbeing.
7. There is no accountability mechanism for extension research created with the key stakeholders in mind.
8. All key producers and the actors engaged in processing and marketing activities, who are duly registered, will create a "community of actors" with digital identities that are interlinked and communicate to optimise production, processing, and marketing through digital platforms.
9. The research and extension system is highly fragmented, with ineffective PTWGs.
10. The connection between the provincial and district technical working groups in research and extension is quite weak, leading to a lack of confidence among beneficiaries and farmers.
11. The generation of new knowledge in extension and communication, along with platforms for sharing that knowledge, is significantly constrained.

Recommendations

1. Establish a national apex agency responsible for planning, policy, and sector programming for agricultural extension, integrating the fragmented system into a new National Extension Education and Training Agency (**NEETA**). The functions of the PTWG will be incorporated into this agency.
2. The NEETA will be structured as per the commodity analysis:
 - a. Plantations cluster: Tea, Rubber, Coconut and Palmyra
 - b. Food crops cluster
 - c. Spice cluster including Arica nut and Kittul
 - d. Animal Production and Health
 - e. Fisheries
 - f. Floriculture and ornamental plants cluster/ Floriculture, Ornamental and Botanic trees Cluster
3. The NEETA will facilitate the development of the MIS, where all commercial agriculture producers will be registered, and each member will have a unique registration and have access to research recommendations relevant to her/his enterprise.
4. Recognise agricultural extension as a professional service.
5. Under the NEETA, production plans will be formulated, with production targets connected to an agriculture extension plan.
6. The extension plans will be developed spatially based on the respective districts for the various commodities discussed in the commodity analysis presented in this report.
 - a. Rice
 - b. Food crops – vegetables, root and tuber, fruit & field crops
 - c. Spices including Arica nut and Kittul
 - d. Palm Plantation Crops
 - e. Floriculture, Ornamental and Botanic Trees Cluster
 - f. Animal Production and Health and Fisheries
 - g. Post-harvest value addition and product development
 - h. Socio-economics marketing and export revenue generation
7. The agriculture extension plan will identify the appropriate communication technologies, including ICT & AI.
8. All key producers and those actors engaged in processing and marketing activities, who are adequately registered, will form a “community of actors” with digital identities, interconnected and communicating to optimise production, processing, and marketing through digital platforms.
9. The NEETA will develop a national agriculture extension strategy that is consistent with the agricultural production and development plans and policies.
10. The NEETA will facilitate a national human resource development plan to ensure the training, recruitment, and deployment of professional extension officers to serve in various agricultural subsectors.

11. The NEETA will collaborate with the relevant mandated agencies such as the CARP to develop suitable policies aimed at strengthening agricultural extension services in the country and modernising the sector.
12. The necessary inter-agency collaboration and coordination will be facilitated by the NEETA.
13. The extension advisory service delivery system, based on spatially specific agricultural production plans developed for annual and seasonal crops, will be monitored and remedial action taken by NEETA.
14. The adoption of extension advice greatly depends on the timely availability of necessary inputs. Therefore, input supply should be well coordinated with extension services. In extension, public-private partnerships (PPP) should be encouraged across all agriculture sectors.

4.3.4 Storage, Transport & Distribution

Storage is essential for seasonal crops and in preventing the loss of surplus primary production. However, low-temperature storage incurs prohibitive costs, especially concerning tropical domestic markets. Policymakers promoting the introduction of cold storage facilities in Sri Lanka must understand the complexities associated with establishing an economically viable cold chain operation. It is crucial that scientists and technologists with expertise in post-harvest cold chain management and operational procedures are consulted when decisions are made to introduce cold chain technology. Additionally, it is important to avoid valuable foreign exchange investments in technology with high operational costs that can be sustained only by organised collective production systems, which handle large volumes of produce and service targeted lucrative niche markets.

Most varieties of tropical fruit and vegetable crops grown in Sri Lanka have limited inherent storage potential, often not exceeding two weeks even under low-temperature conditions. It is also crucial to understand that extending the storage life of different varieties of fruit and vegetables necessitates maintaining these commodities at various optimum storage temperatures and humidity levels.

Therefore, enhancing the productivity of underutilised agricultural lands across Sri Lanka's various agroclimatic zones through planned staggered cultivation systems and other alternative low-cost technologies would be regarded as a viable option for addressing domestic markets. Staggered production of seasonal crops in different agroclimatic zones could serve as a sustainable, cost-effective approach to avoid seasonal surpluses and reduce post-harvest losses of produce.

Farmers involved in the organised production of sufficient volumes of horticultural produce under competitive world market prices, while adhering to the Sri Lanka Good Agricultural Practice (SL GAP) regulations, may be encouraged to channel their produce through cold chain systems to satisfy the requirements of targeted, lucrative niche export markets.

Establishing a network of wholesale markets for horticultural produce with good road access would improve the current distribution system, which perpetuates cartels in the monopolistic system.

4.3.5 Ensuring quality standards and global compliance

Food quality standards are now a global concern. In the tea industry, which was previously regarded as a commodity, it is now recognised as a food item, leading to the implementation of stringent global food quality standards. This necessitates the maintenance of quality standards from field production through to export. Many consumer countries are increasingly concerned about Maximum Residue Levels (MRLs) in imported products.

The introduction of Good Agricultural Practices (GAP) is crucial to achieving the required quality standards for the hospitality sector and export markets and to the health and well-being of the people of Sri Lanka. GAP will enable economising on the current use of agrochemicals. Extension personnel and an independent monitoring facility may monitor the use of agrochemicals at the field level.

Enhance SLSI or an appropriate organization to oversee the quality standards of exports.

4.3.6 Agriculture Marketing & trade, local & global agricultural markets & marketing

Agricultural product marketing is currently a function of the private sector. Various types of market participants are involved in different value chain activities, including buying, distribution, storage, processing, wholesaling, retailing, and import and export across diverse crop sectors.

With the transition to an open-market economy, the government's direct involvement in marketing agricultural products gradually diminished. However, this transition has left significant public sector responsibilities in agricultural market governance and support underserved, as the dismantling of institutional structures has created gaps that remain unaddressed.

The predominantly smallholder nature of agriculture in Sri Lanka exacerbates this issue. Farmers, often scattered across rural areas, produce small quantities of marketable surpluses. For example, paddy surpluses held by individual farmers can vary from as little as three metric tons to approximately 12-14 metric tons, while surpluses for other crops are typically even smaller. This fragmentation leads to high transaction costs and significantly diminishes the bargaining power of farmers, leaving them vulnerable to exploitative buying practices. These challenges are particularly pronounced when market information is scarce and when production and marketable surpluses fluctuate due to seasonal factors.

Moreover, processing in the agricultural sector often requires large-scale operations to achieve economies of scale. This necessitates maintaining substantial stockpiles, which can only be cost-effective if production levels are sufficiently high. Conversely, when production

falls short of the threshold needed to realise scale economies, processing costs increase, further burdening smallholder farmers.

When it comes to the export crop sector, alongside reducing transaction costs, securing a high price in the international market through new markets and value addition is essential. Thus, the public roles in marketing-related value chain functions and value chain development functions that must be carried out through government institutional mechanisms to achieve food security, increase export income, and boost farm income can be identified as follows:

- Minimise transaction costs
- Minimise price fluctuations in the market
- regulate price-fixing
- Minimise post-harvest losses
- Introduce premium markets

Consequently, the following value chain functions and value chain development functions must be undertaken by public agencies as part of their public roles.

- Incorporating smallholder farmers into more competitive and sustainable value chains.
- Market Intelligence
- Market Regulation: Government price-setting (e.g., GPS), regulation of prices in the domestic market through direct purchasing at the guaranteed price while maintaining and releasing stocks to processors. Ensuring quality and regulating marketing procedures (e.g., Colombo Tea Auction).
- Developing market infrastructure: Markets (e.g. Dedicated Economic Centres), storage facilities
- Facilitating access to international markets (e.g., new or niche markets, standards, trade negotiations)
- marketing research
- Post-Harvest Management

The institutional capacity of the public sector to perform these functions is evaluated by this analysis.

The assessment of public agencies or the entities performing these functions hinges on the relevance of their mandated roles and responsibilities, the effectiveness of the strategies they utilise to execute their specific functions, and the extent to which these institutions have succeeded in achieving their targets.

Evaluation of Marketing functions performed by public institutes

The extent to which public agencies or the entities executing these functions are evaluated depends on the relevance of their mandated roles and responsibilities, the effectiveness of the strategies they implement in performing specific functions, and the success of the institutes in achieving their targets.

Mahaweli Authority

The Mahaweli Authority, established by Act No. 23 of 1979 as the administrative body for the special Mahaweli area, can promote, undertake, and participate in agro-based or related industrial or commercial enterprises. It is also responsible for marketing services for purchasing, storing, processing, and selling farm and other produce. Farmers' Organisations (FOs) have been established in the areas under the Mahaweli Authority as a legal entity, recognised by the Agricultural Development Act No. 46 of 2000. The strengthening of existing FOs and the fostering of new ones is an essential function. Although FOs are involved in irrigation management activities, they are not engaged in marketing activities, particularly for the area's primary produce, paddy. Since 2009, the Paddy Marketing Board has used approximately 43 warehouses belonging to the Authority.

Part of the business activities conducted by the Mahaweli Authority of Sri Lanka under the Companies Act have been transferred to private companies for management. Mahaweli Livestock & Agro Enterprises (Pvt) Ltd, Mahaweli Consultancy Bureau (Pvt) Ltd, and Natural Resources Management Services (Pvt) Ltd. Mahaweli Livestock & Agro Enterprises (Pvt) Ltd collects milk from dairy farmers in the region, engaging in dairy-related activities and marketing those products in the Mahaweli region and surrounding areas.

Irrigation Management Division of the Ministry

This division is primarily responsible for establishing and strengthening farmer-based institutions in 54 major irrigation schemes. Its goal is to improve participatory operation and maintenance of irrigation subsystems, which will increase agricultural production and water productivity per unit of water. This will also enhance the knowledge and skills of the farming community and uplift their livelihood. The geographical coverage of this Integrated Management of Agriculture Settlement overlaps the interprovincial area under the Department of Agriculture. The main objective is to establish a self-reliant farming community in irrigated agricultural areas.

It aims to implement a participatory approach through the active involvement of beneficiaries and farmer representatives. It will incorporate state and non-governmental officials alongside the private sector to achieve sustainable economic development for the farming community in an irrigation settlement by enhancing the productivity of a unit of water. However, in practice, marketing is not a significant function.

DAOD (Department of Agrarian Development)

Integrating smallholder farmers into more competitive and sustainable value chains in areas excluding those under Mahaweli, a major irrigation scheme, or any area under the authority of a public corporation has been entrusted to the Department of Agrarian Development, under the Agricultural Development Act No. 46 of 2000. Through this Act, powers have been granted for establishing Agrarian Development Councils in each agrarian centre, with one representative from each farmer organisation can form Farmers' People's Companies registered with the Registrar of Companies. These companies can purchase shares in Farmers' People's Companies and assist and encourage farmers in maintaining farmers' marketplaces. Although the legal framework provides functional mechanisms and systems to facilitate and strengthen Farmer Organisations, such as provisions to link them with district development councils, the formation of district and national federations, and sound administrative systems, these measures have not been implemented, and Farmer Organisations remain weak.

PMB

PMB intervenes in the market by regulating prices of paddy and rice in the domestic market through direct purchasing to the guaranteed price and maintaining stocks and releasing stocks to millers. Through the mandate, powers have been vested to purchase, store, and market paddy and rice to the satisfaction of both producer and consumer and to develop and maintain storage facilities. Yet, the decision on purchasing and releasing stock to the market is taken at the ministry's discretion. The re-established institution, with heavy liabilities carried forward, has issues in timely intervention for market stabilisation, which is constrained by market information and funds to purchase paddy.

HARTI

HARTI was established with a comprehensive mandate to coordinate and conduct agrarian research and training activities in collaboration with Asian countries for agrarian development and modernisation. The institute's primary mandated functions encompass knowledge generation and timely dissemination to enhance the effectiveness of the policy process, designing rural development models through action research, increasing the capacity of rural development stakeholders through training, and enhancing market intelligence for stakeholders within the supply chain. As emphasised in the Act, "It shall be the duty of the Institute to advise the Minister on any or all matters related to the objectives of the Act and on any other matters that may be referred to the Institute for advice by the Minister."

HARTI's primary public roles in value chain development, specifically in agricultural development, involve providing policymakers with evidence through data, information, and analytical reports. At the ministry level, HARTI is particularly responsible for delivering accurate and timely information for decision-making. Additionally, HARTI promotes the integration of smallholders into larger value chains by conducting training sessions and raising

awareness, as well as developing market linkages between rural farmers and supermarkets. Regular activities of HARTI include gathering market intelligence via mobile applications.

Dedicated Economic Centers (Public-Private Trust)

The objective of establishing dedicated economic centers island-wide is to create a market network that connects the main producer areas and consumer areas, particularly for vegetables, fruits, and other field crops. This will ensure a fair price for farmer products in rural areas as a marketing promotion strategy and provide consumers with the opportunity to buy goods and food items at a reasonable price. Currently, 18 economic centers have been established, and 13 centers are in operation.

The functions of the public sector are to provide essential infrastructure facilities for the effective operation of dedicated economic centres, offer the legal advice necessary for its proper functioning, and conduct follow-up and evaluation. These centres are managed by a Management Trust Board established for each centre under the direct supervision of the Ministry. The Chairman of the Management Trust is the district secretary, while the secretary is the relevant divisional secretary. Furthermore, this trust comprises representatives from trade associations, farmer organisations, and public institutions.

Rural Development Bank

Warehouse receipt financing managed by RDB serves the dual purpose of offering value chain services to farmers through warehousing, while simultaneously providing access to credit against stored produce. A negotiable warehouse receipts system enables farmers to secure loans from banks and alleviates challenges in selling agricultural commodities. Negotiable warehouse receipts facilitate the transfer of ownership of any agricultural commodity stored in a warehouse without the need to physically deliver the commodity. This system helps them achieve a higher income in the off-season compared to the prices they could obtain for their products during the harvest periods.

Consumer Affairs Authority (CAA)

The Consumer Affairs Authority of Sri Lanka (CAA) is responsible for ensuring fair market competition and protecting consumers' interests, including fair trade. The CAA was established in 2003 by the Consumer Affairs Authority Act, which repealed the Fair-Trading Commission Act of 1987 and other acts. The CAA's functions include investigating and making recommendations on competitive practices, seeking redress against unfair trade practices, undertaking studies on the distribution of goods and services, regulating the pricing mechanism, including maximum prices for goods, and regulating the standards and specifications of goods.

The government has a role in regulating markets to avoid unfair competition, which can affect the producer and the consumer because of the market's middleman operation and structure.

Yet the Consumer Affairs Authority (CAA) 's main interventions lie on the consumer side of the market, according to the power vested in the authority.

Ministry of Agriculture (MOA)

Government price setting (e.g., GPS, floor prices) and essential food import decisions are crucial functions undertaken by the ministry to regulate the market with the overarching aim of food security in the country. These decisions are made by a committee consisting of various government officials from relevant ministries, known as the Food Security Meeting. The information required to make these decisions is primarily provided by institutes like HARTI. The food information system developed at HARTI, with support from the FAO, serves as an important analytical tool for making such short-term decisions within the ministry.

In the absence of a dedicated governmental entity to facilitate public-private partnerships (PPPs) and agricultural contractual agreements, the Ministry collaborates with private partners on initiatives that integrate smallholder farmers into supply chains. One example is the Forward Sales Contract programme for maize farmers, facilitated by the Ministry, the Central Bank, and the private sector to support Prima's animal feed production programme. As foreign-funded projects are primarily implemented at the ministry level, sustainability challenges arise because these foreign-funded PPPs are often time-limited and centrally managed by the Ministry, which makes continuity and long-term success difficult once project funding concludes.

Food Commissioner Department (Dissolved)

One of the department's primary functions is maintaining an 8,000 MT special rice buffer stock as per the Colombo Declaration and the 16th Conference of the South Asian Association for Regional Cooperation (SAARC).

In times of emergency situations, the distribution of essential food for the general public without shortages is conducted under the oversight of the Food Commissioner's Department, maintaining a buffer stock of 100,000 MT of rice at Food Department warehouses across the island, as per the Cabinet Decision dated 27/08/2008. Under this programme, food is distributed to all 25 districts in the country. Additionally, warehouse facilities are leased to the private sector to reduce post-harvest losses. The construction of a temperature and humidity-controlled storage complex, funded by the Indian Government and aimed at reducing post-harvest losses by 40%, was completed in 2020.

Department of Commerce – Fruits and Vegetables, Fish, Tea, Spices

Conduct negotiations to secure market access by obtaining tariff concessions through non-reciprocal preferential trade agreements, such as Generalized Systems of Preferences (GSPs), for Sri Lanka's exports.

Conduct negotiations to obtain preferential market access for Sri Lanka's exports through regional reciprocal trade agreements, including Free Trade Agreements (FTAs) and Regional Trading Arrangements (RTAs).

Conducting negotiations to secure preferential market access for Sri Lanka's exports under bilateral reciprocal trade agreements, such as Free Trade Agreements (FTAs) and regional agreements, Trading Arrangements (RTAs).

National Institute of Post-Harvest Management (NIPHM)

The National Institute of Post-Harvest Management (NIPHM), operating under the Ministry of Agriculture, is the foremost institution in Sri Lanka dedicated to advancing post-harvest technology for rice, other grains, field crops, fruits, vegetables, and spices through research, training and extension, consultancy, advisory services, and various development activities. Established on 19th June 2000 by extraordinary gazette No. 1137/10 under the provisions of the State Agricultural Corporations Act No. 11 of 1972, NIPHM has taken on the roles of the Rice Processing Research and Development Centre (RPRDC) of the Paddy Marketing Board, which was created with assistance from FAO/UNDP in 1976.

National Food Promotion Board (NFPB)

The National Food Promotion Board (formerly known as the Sri Lanka National Freedom from Hunger Campaign Board, established by Act of Parliament in 1973) is currently engaged in the production of value-added food products, extruded cereal items, and drinks made from underutilised fruits. Additionally, it purchases traditional grains from farmers and directly implements various community development activities aimed at alleviating poverty among the most vulnerable and marginalised groups.

Synthesis

Legislative provisions for integrating smallholder farmers into more competitive and sustainable value chains, along with market intelligence to prevent information asymmetry, regulation for competition and fair trade, protection for vulnerable groups, correction of market failures, development of market infrastructure, facilitation of access to international markets, promotion of value-added processing activities, post-harvest management, and conducting marketing research are significant functions. The existing legislative provisions under the Agrarian Development Act and the Cooperative Societies Law are designed to enable small farmers to organise themselves for collective marketing, thereby enhancing market access and bargaining power through farmer organisations, people's companies, and cooperative societies. These farmer groups undertake various activities such as input supply, credit provision, value addition, and marketing. The Mahaweli Authority, IMD, and DOAD are the three government entities entrusted with establishing farmer organisations covering the food crop sector. Farmer organisations located in irrigation schemes focus on irrigation management as their main function.

The Agrarian Development Act aims to empower the farming community to evolve into farming companies capable of collaborating with agribusinesses on marketing activities, like how farmer groups manage marketing tasks in other countries. However, in most cases, these legal provisions have proven largely ineffective in practice for various reasons. FOs have been established with the support of various facilitating organisations, and once the external support is withdrawn, most of these FOs fail as they lack the capacity for self-sustainability. There is a gap in human resources capacity at DOAD in executing these functions when the human resource profile of DOAD is examined. Agrarian commissioners possess limited technical knowledge and expertise in areas such as agriculture, agribusiness development, and marketing.

Alternatively, contract farming and Forward Sales Agreements have emerged as more promising institutional arrangements for integrating smallholder farmers into competitive value chains. Farmers involved in a contract farming agreement receive better prices than those not participating in such agreements. Despite this success, there is currently no comprehensive institutional framework at the national level to support contract farming. While various institutions independently perform functions such as training, raising awareness, and fostering Public-Private Partnerships (PPPs), these efforts lack coordination. For instance, the maize contract farming system was developed as an initiative by the Central Bank in collaboration with the Ministry of Agriculture, while HARTI undertakes training and awareness programmes to connect smallholders with supermarkets. Some farmers' organisations are collaborating with NGOs and agribusiness companies, acting as intermediaries to facilitate contract farming arrangements between farmers and these companies.

One of the primary functions of HARTI is to provide market information to stakeholders in the marketing sector and to policymakers to facilitate decisions regarding the regulation of product market supplies and prices. This is a collaborative activity that involves gathering information from various agencies, including SEPC of DOA and the Ministry of Trade. Establishing a virtual framework for collaborative work enhances the effectiveness and credibility of the Market Information System.

To regulate the agricultural market and ensure fairness, protect vulnerable groups, or correct market failures, government intervention may be necessary at specific points along the value chain where genuine competition occurs. Poor infrastructure, lack of market information, or monopolistic buyers (oligopsony) can hinder competition and result in lower farm gate prices. As prices are conveyed along the value chain, from producers to wholesalers, processors, and consumers, the level of competition at each stage—such as wholesale markets, transportation, and retail—affects the distribution of prices and profits. Oligopolistic control at any stage, especially by large processors or distributors, can distort competition and lead to price manipulation.

Recommendations

1. The Agrarian Development Act provides robust provisions for organising farmers into collective groups that can progressively merge into larger entities, up to farmer companies capable of handling agribusiness activities. Some form of collaboration among Mahaweli Authority, IMD, and DOAD, the three institutes entrusted to undertake the task, should be formalised.
2. Human resources limitations at the mandated institutions hinder the effective implementation of the Agrarian Development Act provisions. The Department of Agrarian Development (DOAD) has sufficient personnel to administer the Paddy Lands Act and manage farmer grievances through tribunals, yet it lacks the specialised human resources needed for value chain development functions within farmer organisations. To address this, it's recommended that the DOAD carder be updated, especially with qualifications in relevant subject areas such as agribusiness management, agriculture, and marketing for agrarian commissioners joining the carder.
3. The amalgamation of PMB, food commissioner's department and warehouses of RDB and setting up as a marketing authority for all food crops with a commercial operation for the institute's sustainability.

The PMB's intervention in the paddy/rice market can be justified for several reasons. Not only does it serve as a market regulator during surplus years (such as those involving increased production or distorted markets due to imports), but PMB also has additional functions. It is the only marketing parastatal that supports regions with limited milling facilities (e.g., the north) and maintains a buffer stock for disaster relief, especially in light of the dissolved department of the food commissioner. Although PMB's mandate is specifically focused on paddy operations, it has previously purchased other food crops under a Floor Price Scheme. The board's large, unutilised properties can be leveraged for operations in collaboration with warehouses run by the RDB under the negotiable warehouse receipts system. PMB has devised a strategic plan to address its internal issues by proposing an alternative business model. The transformation of Indonesia's BULOG into a public corporation, which maintains both social and commercial objectives while tackling governance issues, could be beneficial in reforming PMB's institutional setup.

4. The Consumer Affairs Authority's role in promoting and enforcing fair trade practices and competitive market conditions in both the producer and consumer markets should be significantly strengthened. This could involve enhancing its regulatory authority, increasing monitoring capabilities, and improving enforcement measures to deter anti-competitive behaviours better, ensuring a fairer marketplace for producers, consumers, and businesses.

5. Dedicated Economic Centers Trust to be monitored by MOA and to introduce a digital platform like E-NAM in India

To enhance market access, particularly for smallholder vegetable and fruit farmers, the digitisation of agricultural markets serves as an effective strategy to lower transaction costs. Tools such as digital platforms and mobile applications are becoming common sources of information for the average person. As dedicated economic centres play a crucial role in the logistics of exchanging vegetables and fruits at both the producer and consumer ends, connecting this market through digital information sharing enables farmers to receive timely updates on prices and supply.

The National Agriculture Market (e-NAM) in India is an online platform launched in 2016 to unify agricultural markets across the nation. It connects Agricultural Produce Market Committees (APMCs) from various states, enabling farmers to list and auction their produce to buyers nationwide. The primary goals of e-NAM are to enhance transparency, eliminate intermediaries, and assist farmers in obtaining fair prices through competitive online bidding processes.

After registering, farmers post details of their produce—type, quantity, and expected price—while licensed traders participate in time-sensitive auctions. This system facilitates direct, transparent transactions in which the highest bid prevails, and payments are processed electronically to the farmers' bank accounts. Furthermore, e-NAM incorporates quality testing, logistics, and storage facilities, thereby enhancing market efficiency and reducing handling costs for both farmers and buyers.

Despite its advantages, e-NAM faces challenges, including limited digital infrastructure in rural areas, resistance to traditional market practices, and the need for uniform regulation across states. The platform's future prospects involve integrating more APMC markets, improving logistics support, and potentially linking with international markets to further strengthen farmers and rural economies.

6. HARTI to be the focal point of National Food Information System networking all entities

HARTI can be a focal point for receiving, processing, and disseminating information related to the food commodity market. The Food and Market Information System of HARTI can be upgraded in accordance with new technology by adopting ICT and AI to provide real-time updates on the country's food and market situation, thereby reducing the need for statistical staff. Additionally, a feedback system should be incorporated to enhance the credibility of the information system and customise it to user needs.

HARTI's central function of research, particularly in marketing and institutional factors affecting the development of agriculture, should be strengthened through human resource development and building international partnerships. Well-trained and experienced human resources are vital for conducting research.

7. Post-harvest Management and Agro Processing entities; IPHT, FPB, Food Research Unit of DOA can come under one umbrella entity

Combining post-harvest management and agro-processing under a single umbrella entity would streamline efforts to reduce food waste, enhance food security, and improve value addition. Such integration would allow for cohesive planning and coordinate strategies across the entire post-harvest chain, from storage to processing. A unified approach can better manage logistical issues, quality management, and technology adoption, ensuring efficient handling of perishable crops and reducing spoilage rates.

Moreover, combining these functions enables a stronger focus on infrastructure development, such as cold storage facilities, transportation, and processing centers, which are essential for sustaining agricultural productivity and exports. It also allows for a more focused investment in skills and technology transfer, helping smallholder farmers leverage value-added processes and improve income stability. Centralizing these functions within one entity could enhance regulatory oversight, improve resource allocation, and strengthen support for small and medium agro-enterprises, thereby fostering a more resilient agricultural sector and supply chain.

In several successful agricultural economies, centralized post-harvest and processing management has proven beneficial for improving food safety, standardizing product quality, and expanding market opportunities for farmers.

4.3.7 Optimizing use of ICT & AI

The agriculture sector must keep in line with the Information and Communication Technology Agency (ICTA) of Sri Lanka, the apex ICT institution of the Government envisioning a digitally inclusive and prosperous country. The key areas of ICTA support are; (i) citizen convenience (ii) citizen participation (iii) citizen rights (iv) cost saving (v) transparency and (vi) innovative transformation (www.icta.lk) The potential for application of ITC and AI in agriculture production, research, extension and services are vast. At present ICT is used to a very limited extent by the state agriculture organizations, such as for data analysis, communicating among officials, sharing documents, monitoring and evaluations, documentation and archiving,

Substantial investments have been made globally in agriculture technology, including data-enabled decision support systems at the government level and digital farming services at the smallholder farmer level.

Piloting select agri-tech innovations is an effective approach and acts as a precursor to assessing the on-ground efficacy of these technological interventions, including their economic viability, the risk involved, the resources required to adopt the technology, the local availability of inputs, and mechanisms for realizing the benefits of technologies in the local context.

In the current context, Sri Lanka's top priority is ensuring food security while also managing its foreign exchange reserves. Therefore, it is logical to pilot successful technologies, such as precision agriculture, site-specific nutrient management, and selection of climate-resilient rice varieties, to increase resource efficiency in paddy cultivation.

Additionally, due to growing food safety concerns and tea's contribution to foreign exchange earnings and employment generation, sanitary and phytosanitary standards are becoming increasingly important in international agricultural trade. Successful interventions around traceability may provide opportunities for greater market access and higher prices for certified products.

Strengthening the agro-tech incubation ecosystem: Establishing a competitive indigenous agro-tech sector requires an effective innovation and entrepreneurship ecosystem that supports the start-up and growth of innovative enterprises.

The incubator will support agrotech-based start-ups by enhancing local technological capacity, testing proof of concept in real-world scenarios, and directing investments in partnership with the private sector and international development agencies.

Incubators provide a mechanism for technology transfer, promote the concept of growth through innovation and technology application, support economic development strategies for small businesses, and encourage growth within local economies.

To achieve this, the ag-tech incubator will transition the incubated technologies to related agriculture research institutions, universities, and agencies after extending incubation support for three years.

Leveraging private sector participation in augmenting Agro-tech sector in Sri Lanka: With an increasing number of initiatives being taken in agricultural technology advancement by the private sector, the need is to open the agriculture ecosystem further by ensuring more extensive participation from the private sector through more Public-Private Partnerships (PPPs) and industry-research institution relationships.

Such collaborations may help to address data challenges and create repositories that can serve as a common point for information generation and utilisation.

Encouraging a start-up culture and conducting technological experiments while examining existing agricultural technologies in other parts of the world would be of paramount importance for developing efficient farming practices locally.

Digital businesses in the agriculture sector offer a unique opportunity for the country to cultivate and promote innovation and entrepreneurship, scale Micro, Small and Medium Enterprises (MSMEs), enhance market access, integrate marginalised populations and regions, increase resource efficiency, and create more (and better) employment opportunities.

Recommendations

1. The ministry responsible should establish an internal policy and guideline for mainstreaming ICT use at all management and service delivery levels.

2. Digital Platforms: The Ministry of agriculture should drive the digital initiative in collaboration with ICTA (www.icta.lk) and establish the following digital platforms:
 - a. Marketing involves key stakeholders, including producers, economic centres engaged in wholesale marketing, and marketing research agencies.
 - b. A farm entrepreneur platform that integrates members of this community and links to the crop, livestock, and fisheries/aquaculture research system, where research messages and innovations can be shared. This platform should also serve as a means of communication for those with agriculture-related challenges for which scientific and programmatic support is provided.
 - c. Every farm entrepreneur in the food crops, livestock, fisheries, and spice sectors must be given a digital identity through which they can access relevant information for production, processing, and marketing.

The NAICC could handle the operational aspects of these initiatives.

3. The ministry responsible for agriculture must facilitate a quarterly e-newsletter produced in the national languages, coordinated between the research and extension/technology transfer systems to share vital knowledge with stakeholders. This initiative should have a clear ethical guideline regarding what should be included and what should not for self-aggrandisement.
4. Establish an agro-entrepreneur incubation program targeting young women and men. The work should be coordinated with ITI and NIPHM.
5. Optimise the use of AI, including drones, to identify precision treatment needs in farming, which will serve as follow-up tasks for agricultural extension workers.
6. Enhance coordination between extension and research to drive the use of AI for optimisation and increased productivity.
7. Encourage public-private partnerships that promote entrepreneurial development programmes and the transfer of technology.

4.3.8 Strengthening organisations based on physical, financial and human capital resources

Physical resources available with organizations appear to be adequate to perform mandated functions.

Financial resources are generally allocated from the treasury. For organizations related to tea, funds earned through “cess” collection are channeled through the treasury and utilized for research, extension, development and tea promotion based on annual budgets of the organizations. Amounts allocated and timely disbursements are sometimes not satisfactory.

Human capital resources are allocated according to the approved cadre, but overall, extension personnel are insufficient for an effective transfer of technology to the end user. In the tea smallholdings sector, the ratio of farm families to extension workers is quite high, making individual contact with farmers quite difficult.

- Organisations must be legislatively empowered to earn income by providing services, etc., and utilise this income to render services to end users.
- The collection and disbursement of the tea cess should be streamlined so that related organisations can be direct beneficiaries. (Should there be a tea cess committee with representatives from these organisations?)
- Farmer organisations should be strengthened to take up input supply on a profit-earning basis.

THE SHARED SERVICE STRATEGY

Overview of the operationalization of the proposed institutional structure leading to seamless transformation -

- A new Value Chain Shared Service Centre approach will enhance productivity and standardise sectoral needs while maximising high-quality resources, resulting in reduced costs.
- Aiming to improve user experience through a thorough transformation process while enhancing efficiency and delivery for busy civil servants and stakeholders.

The three overarching objectives

1. Addressing end-user needs while promoting excellence and convenience for both staff and stakeholders.
 2. Providing value and efficiency, encompassing all transactional services.
 3. Focusing on the convergence of processes and data, including the consolidation and modernisation of technology platforms, whilst maintaining departmental choice.
- Proposing the introduction of Shared Service Centres that will provide more for less by prioritising data and addressing process gaps. Transitioning to cloud-based Enterprise Resource Planning (ERP) and automation to enhance system speed and usability allows us to deliver savings and benefits.
 - This strategy will encourage greater collaboration, help reform government and play a part in emphasising interoperability across the Agriculture Value chain.
 - The diverse and intricate government landscape can function as a unified Civil Service, exchanging information effortlessly.
 - Data shared and integrated, so all departments can work together more effectively in achieving sector outcomes for the back-office and the public.
 - Using information input that can be reused across the system and departmental boundaries.
 - Consistency of data and processes enables an increasing number of services to become automated, making the Civil Service more efficient and productive.

According to the Proposed Hybrid Institutional set-up, the Recommended Shared Services Strategy will consolidate the core functions of an institution into a single, streamlined centre, aiming to save time, reduce back-office bureaucracy, and provide better value for money to all stakeholders, including taxpayers.

4.3.9 Strengthening progress monitoring of Policy Implementation by the Sector - Accountability monitoring & Evaluation for pursuing national goals & targets

The recommendations below are based on the document “Manual for Planning, Monitoring, Evaluation, Accountability and Learning (PMEAL)” of ACT Alliance. The mandate of SL CARP must be revised to take a lead role in the monitoring and evaluation of agricultural research and development programmes, as well as all significant national agricultural projects, with the responsibility of reporting progress and monitoring outcomes to the Secretary of the Ministry of Agriculture. The recommendations for the adoption of PMEAL by ACT Alliance are proposed to enhance the effectiveness and efficiency of programme and project implementation through the use of standard procedures. This document serves as a checklist, accompanied by relevant explanations.

Standards for planning, monitoring, evaluation, accountability, and learning (PMEAL) are needed. The standards start with programmes and project planning, monitoring, evaluation, accountability, and learning (PMEAL) frameworks. Principles and best practices are essential components in project and program management, especially in the humanitarian and development sectors.

Planning of Programmes and Projects

It would be helpful to have the following items fulfilled in the planning of Programmes and Projects:

- 1) Programmes and projects are planned after a context /situation analysis, using lessons from the previous programme(s). Planning programmes and projects is part of the project management cycle. The cycle may start with planning, followed by implementation, monitoring, evaluation, and back to planning. Avoid overestimating any of the above and adhere to a realistic planning process that targets achievable results.
- 2) Planning programmes requires the development of monitoring tools, such as the Results Framework or, occasionally Log Frames, which facilitate the monitoring of outputs, outcomes, and impacts. This aspect is applicable regardless of the anticipated scale of the intervention. For instance, creating a monitoring tool will prove beneficial in the study of planting space for rice.
- 3) Interventions during development and planning often necessitate the utilisation of a theory of change. A theory of change (TOC) provides a clear explanation of how and why social policy or programme activities lead to specific outcomes and impacts. TOCs are employed in programme design and evaluation across diverse policy areas. Theories of change can be developed at any stage of a programme, depending on their intended application. A theory of change established from the outset guides the planning of an initiative. Stakeholders can periodically refine the theory of change as monitoring and evaluation data become available. Retrospectively, a theory of change can be constructed by reviewing programme documents, engaging with stakeholders, and analysing data, often conducted during evaluations to understand the past and inform future planning.

- 4) The planning of programmes and projects necessitates a participatory approach. Participatory and inclusive planning methods promote locally led action, apply a gender and diversity perspective, and integrate climate change and environmental issues, grounded in Human Rights.

Planning for MEAL

What is not planned, runs the risk of being forgotten, and planning for MEAL is necessary in the following instances:

- Creating a MEAL framework at the beginning of programmes and projects to guide data collection, analysis, interpretation, and reporting.
- Planning for evaluations and internal reviews
- Emphasising ways to ensure accountability to communities, project participants, and donors.
- When and how to establish the learning mechanisms and activities
- Budgeting for MEAL staffing and activities, alongside MEAL implementation planning

Monitoring of Programmes and Projects

Monitoring supports the improvement of output, and outcome with the following commitments:

- Systematic tracking of implementation progress, results and outcomes based on MEAL data.
- Monitoring of activities with documentation of findings, recommendations and follow-up actions.
- Use data for accountability, learning and adaptation

Evaluation of Programmes and Projects

- Thresholds clarify when internal reviews and external evaluations are essential. Thresholds play a vital role in identifying the necessity for internal reviews and external evaluations. Typically, these thresholds are outlined within an organisation's monitoring and evaluation framework to uphold accountability, transparency, and continual improvement.

Internal Reviews:

Purpose: Typically conducted to evaluate ongoing projects, identify issues promptly, and implement necessary adjustments.

Frequency: This can be more frequent and adaptable, depending on the project's requirements and internal policies.

Scope: Generally, includes peer reviews or after-action reviews, emphasising prompt feedback and learning.

External Evaluations:

Purpose: Provide an independent assessment of a project's effectiveness, impact, and sustainability.

Frequency: Usually arranged at critical milestones or the conclusion of a project.

Scope: More extensive and comprehensive, often necessitated by donors or regulatory bodies to ensure objectivity and credibility.

By establishing clear thresholds, organisations can guarantee that internal and external evaluations occur at suitable times, striking a balance between the need for oversight and the practicalities of project management.

- Internal peer-to-peer reviews are emphasised as a vital component of MEAL.
- Process criteria of the TOR are taken for research reporting, management responses, follow-up actions and learning.

The Process Criteria of the TOR for the evaluation include the following:

1. **Purpose and background:** Why is the evaluation being conducted, for whom, and what knowledge exists regarding the evaluation's objectives, strategy, and progress to date?
2. **Scope and approach:** How the review will be accomplished.
3. **Responsibilities:** Who will undertake the assessment and their accountabilities.
4. **Milestones and timelines:** Specific deliverables and deadlines.

Available resources: What resources are available to conduct the assessment?

- Evaluation methodologies must be accommodated for quality management, including gender and inclusion.

Accountability targeting the participants

The beneficiary communities are participants in accountability targeting. Accountability may encompass the following aspects:

- Stakeholder involvement in planning, implementation, and MEAL.
- Ensuring high-level transparency regarding programme and project information
- Consistent feedback and responses from stakeholders
- Complaint and response mechanisms, when applicable

Accountability and reporting to donors on programmes and projects involve detailing progress, outputs, outcomes, and impacts.

Learning from the implementation of programmes and projects

Learning is anticipated to enhance the output, outcome, and impact of programmes and projects.

The following will enhance learning:

- Incorporation of regular reflection on M&E findings and stakeholder feedback
- Engage in learning activities with stakeholders.
- Implement strategies to enhance programmes and projects.
- Documenting and sharing the insights.

The recommendation for restructuring is that PMEAL should be effectively adopted by the entities.

5. THE LEGAL REVIEW OF THE STATUTES OF STATE ENTITIES IN THE AGRICULTURE SECTOR

Findings of the Legal Review of the Statutes of State Entities in the Agriculture Sector

This review is carried out for the report to be compiled by the panel of consultants for the Agriculture Sector Modernization Project (ASMP). The consultants have reviewed the statutes relating to the entities listed in Schedule A.

When one surveys the institutional landscape of the public sector in Sri Lanka, the picture that emerges comprises a variety of institutional models. On the one hand, public servants serve the central government in various departments within the numerous ministries. With the devolution of state functions, a provincial service of public servants working for provincial ministries is also apparent. A third category includes those working for statutory bodies. These bodies take the form of Authorities, Boards, Institutes, and Corporations, which are generally accountable to the Minister of the Line Ministry.

This variety of institutions is also evident in the public sector entities engaged in the agriculture sector.

THE DEPARTMENT OF AGRICULTURE

The Department of Agriculture was created by Department of Agriculture Ordinance No. 37 of 1921 (as amended by Act No. 17 of 1935). The Ordinance permits the Minister to establish Boards to advise him on matters affecting the country's agricultural industries.

Accordingly, the Department of Agriculture has been designed to operate through an administrative structure comprising four (4) crop-based institutes and six (6) technical centres.

Each of these “units” is headed by a director and comprises a team of public servants. The unit reports ultimately to the Director General of Agriculture through an additional Director General.

1. Rice Research & Development Institute (RRDI)
2. Field Crops Research & Development Institute (FCRDI)
3. Horticultural Crops Research & Development Institute (HCRDI)

4. Fruit Research & Development Institute (FRDI)
5. Natural Resources Management Centre (NRMCC)
6. Socio-Economic Planning Centre (SEPC)
7. Extension & Training Centre (ETC)
8. National Agriculture Information & Communication Centre (NAICC)
9. Seed & Planting Material Development Centre (SPMDC)
10. Seed Certification and Plant Protection Centre (SCPPC)

Legal form

The nine units are not entities in the strict sense but can be characterised as an administrative arrangement within the department created to improve administrative efficiency. They do not possess a separate legal personality or have a statutory mandate; they work according to a mandate prescribed by the Minister.

This further hampers these institutions' ability to engage in contracts, partnerships, or similar arrangements with private sector or other public sector entities to accomplish their objectives.

Acquisition of Property

Due to the absence of a legal form, these units are unable to acquire property independently and are thus reliant on the Ministry to procure property for their use.

Staff

The staff are members of the Sri Lanka Administrative Service (SLAS) and are thus subject to the provisions of the Establishments Code, financial regulations, financial guidelines, and circulars issued by the Ministry of Finance, the National Audit Act, and other legislation.

Stakeholder engagement

Unlike statutory bodies, which statutorily require stakeholders to be appointed as decision-makers, these units are exclusively composed of public servants, leaving little room for meaningful engagement and input from stakeholders.

Financial Independence

The units are bound by the overall budgetary limits established by the Ministry and are unable to procure funds independently. They are also under the supervision of the Secretary to the Ministry regarding accounting and audit matters.

They are also unable to utilise any income generated due to the prohibition outlined in financial regulations.

Recommendation

Amending the Department of Agriculture Ordinance would allow each of the aforementioned units to be granted statutory powers to address the shortcomings described above.

MAHAWELI AUTHORITY OF SRI LANKA

Introduction

The Authority was established by Act No. 23 of 1979 and functions as a supreme administrative body for the special Mahaweli area. The Act can be considered comprehensive for the implementation of the Mahaweli programme.

The Objectives of the Authority

- (a) To plan and implement the Mahaweli Ganga Development Scheme, including the construction and operation of reservoirs, an irrigation distribution system, and facilities for generating and supplying electrical energy: Provided, however, that the responsibility concerning the distribution of electrical energy may be performed by any authority competent to do so under any other written law;
- (b) To foster and secure the full and integrated development of any Special Area;
- (c) To optimise agricultural productivity and employment potential and to generate and secure economic and agricultural development within any Special Area;
- (d) To conserve and maintain the physical environment within any Special Area;
- (e) To further the general welfare and cultural progress of the community within any Special Area and to administer the affairs of such area;
- (f) To promote and secure the participation of private capital, both internal and external, in the economic and agricultural development of any Special Area
- (g) To promote and secure the cooperation of Government departments. State institutions, local authorities, public corporations and other persons, whether private or public, in the planning and implementation of the Mahaweli Ganga Development Scheme and in the development of any Special Area

The Powers of the Authority

- (1) to construct, maintain, and operate dams, channels, drainage systems, and other irrigation works and structures to achieve its objectives
- (2) to construct any hydro-power installations necessary for the generation and supply of electrical energy
- (3) to implement necessary measures for watershed management and soil erosion control
- (4) to promote, assist in, and secure the settlement of individuals on lands, farms, and properties in any special area; to make, advance, and cover expenses for, or contribute to the costs of, and otherwise support individuals who are settling, farming, or otherwise developing such lands, farms, and properties, or who wish to do so; and to take all necessary steps related to this.
- (5) to oversee farms and participate in various farming, agricultural, and horticultural activities.
- (6) to manage, improve, cultivate, maintain, lease, purchase, sell, or otherwise deal with all or any part of land.
- (7) to offer advisory and training services for farmers to enhance cultivation techniques, manage water resources, maintain soil quality, and conserve the physical environment.

- (8) to support the implementation of agricultural plans developed by family communities
- (9) to manage and operate a supervised credit scheme for farmers
- (10) to provide agricultural inputs such as seeds, fertilisers, agrochemicals, energy, agricultural machinery, and equipment to farmers and individuals
- (11) to conduct research concerning the advancement of agriculture and agro-based or related industries
- (12) to promote, undertake, and engage in agro-based or related industrial or commercial enterprises
- (13) to recover charges on agricultural products and to impose a fee for the provision of water and for any services provided by the Authority
- (14) to offer marketing services for the buying, storage, processing, and selling of farm and other produce
- (15) to manufacture, purchase, sell, and generally engage in any plants, machinery, tools, goods, or items of any kind
- (16) to purchase or otherwise acquire, construct, maintain, refurbish and modify any offices, workshops, plant, machinery, and other items
- (17) to import, export, purchase, sell, and otherwise handle goods, produce, articles, or merchandise
- (18) to acquire by subscription, purchase, or otherwise, and to accept, take, hold, and sell shares or stock in any company, society, or undertaking that may promote or advance the objectives of the Authority.
- (19) to accept stocks, shares, debentures, mortgage debentures, or other securities from any company as payment or part payment for any services rendered or for any sale made to, or debt owed by, such a company.
- (20) to promote, invest in, and participate in subsidiary companies that have their principal place of business
- (21) with the concurrence of the Minister responsible for Finance, to borrow, raise funds, or secure obligations from sources either within Sri Lanka or overseas, through the issuance of debentures, debenture stock, bonds, mortgages, or any other securities, with or without security, and under such terms regarding priority or otherwise as the Authority may determine.
- (22) to accept money on deposit with or without the provision of interest thereon
- (23) to advance or lend money against such security as may be deemed adequate or without requiring any security therefor
- (24) to invest the funds of the Authority in a manner that may be determined by the Authority from time to time
- (25) to draw, accept, make, endorse, discount, and negotiate bills of exchange, promissory notes, and other negotiable instruments
- (26) to issue or guarantee the issuance or payment of interest on shares, debentures, debenture stock, or other securities or obligations of any company or association, and to pay or provide for brokerage, commission, and underwriting in relation to any such issue

(27) to act as representatives for any government or other authorities, as well as private or public organisations and other individuals.

(28) to carry out promotional and advertising activities related to the objectives of the Authority

(29) to promote, organise, and manage various sports, recreational activities, and entertainments, along with providing facilities for leisure and other recreational pursuits in any Special Area.

(30) to alleviate poverty, suffering, and distress among individuals in any Special Area

(31) to subscribe or contribute to any charitable, benevolent, or beneficial public purpose within any Special Area

(32) to appoint such employees and agents as are necessary to carry out the functions of the Authority

(33) to ensure the welfare of individuals employed by the Authority or previously employed by the Authority, along with their wives, widows, and families, through monetary grants, pensions, or other payments, as well as to establish, contribute to, or otherwise support charitable, religious, scientific, or national institutions within any Special Area.

(34) to take all necessary measures for the general welfare of the community in any Special Area

Analysis

Legal Form

The MASL is a corporate body with extensive administrative and quasi-legislative powers. Its authority is limited solely to the special Mahaweli area, yet it otherwise reigns supreme. It possesses the power to compel certain departments and government institutions to fulfil their statutory duties. Likewise, it is statutorily authorised to exercise exclusively the powers vested in various government entities within the special area.

Political independence

The Authority can be described as a body exercising governmental powers that affect a large segment of the country's population. These powers are exercised by a Board of five Directors, three of whom are appointed by the Minister with the President's approval. One Director is designated as the Director General of the Authority and serves as the Chief Executive Officer, presiding over all meetings. Thus, it would indeed be difficult to conclude that the Authority remains independent of political considerations.

Institutional Structure

As stated above, the Authority's powers are concentrated on its directors, particularly its Director General. The Drafters of the Act appear to have favoured administrative efficacy over governance by concentrating so much power on a nucleus. The only way to check the conduct of the Directors is through the minister's removal process.

The Authority is also empowered to create its departments and agencies to conduct its functions. These would be manned by its employees and public servants from other state entities obtained on secondment. The Authority is also authorised to contract with external parties to discharge some of its responsibilities.

Scope for financial independence

The Act addressed financial matters in considerable detail. The initial objectives of the Authority were to be funded by the central government. However, the Act permits the Authority to maintain its own fund, credit all revenues (both commercial and tax) to this fund, and cover expenses from it. The Authority is also exempt from customs duties and stamp duty.

The tax benefits statutorily provided were not limited to the Authority but extended to its subsidiaries and foreign experts who worked in such subsidiaries. The dividend income of investors in such subsidiaries was also tax-exempt.

The authority was empowered to obtain both local and foreign loans, with the government guaranteeing them.

Financial accountability

Given the extensive powers granted in respect of finance, one would expect similarly rigid oversight of its use. However, the Act is conspicuous for its absence of provisions governing financial oversight and audit. The Act merely requires the Authority to maintain suitable accounts.

With the recent expansion in audit powers through the National Audit Act 19 of 2018, the Authority has been subject to additional oversight. In view of its extensive powers over finance, it is felt that the Authority must be subject to provisions specially designed for it.

Ability to structurally evolve

It is a credit to the initial drafters of the Act that they foresaw the possibility of some functions of the Authority being conducted by Corporations and Companies as subsidiaries. We acknowledge that attempts by the Authority to create subsidiaries and operate them as independent commercial entities have failed on several occasions. However, we believe that this methodology can be employed to limit the Authority's functions to those that are essential, while allowing for the establishment of commercial functions within newly created subsidiaries supported by private equity. Unlike the Authority, the Act outlines audit requirements for these subsidiaries. Therefore, subsidiaries may provide a viable means by which the Authority can evolve.

Recommendations

Enhance the number of ex officio and stakeholder members to render the Director General subordinate to the Board of Directors.

Revise the Act to include comprehensive supervisory and audit provisions for the finance function.

Consider establishing subsidiaries relating to the purely commercial functions of the Authority.

THE AGRICULTURAL AND AGRARIAN INSURANCE BOARD (AAIB)

Introduction

The AAIB was created by Act No. 20 of 1999, replacing Agricultural Insurance Law No. 27 of 1973. In doing so, the AAIB was also entrusted with the responsibility of carrying out the functions set out in the Farmers Pension and Social Security Benefit Scheme Act, No. 12 of 1987.

Consequently, the AAIB currently provides,

- Agricultural insurance services under the Agricultural and Agrarian Insurance Act
- A farmer pension scheme and
- A farmer social security benefit under the Farmers Pension and Social Security Benefit Scheme Act.

Therefore, the powers and functions outlined in the separate Acts are considered collectively, as they are solely carried out by the AAIB. However, for the reader's benefit, they are listed under separate headings.

Functions of the AAIB under the Agricultural and Agrarian Insurance Act

(a) to establish and manage a comprehensive insurance scheme for the benefit of agriculturalists, respect of crops, including plantation crops, medicinal plants, fisheries, forestry and livestock, which will indemnify them against losses, and to provide stability to agriculturists and to promoting agricultural production.

(b) to establish and run an insurance scheme for the benefit of farmers concerning agricultural equipment, implements, and other movable and immovable property belonging to agriculturalists.

(c) to establish and run an insurance scheme for the benefit of farmers regarding the storage and preservation of agricultural and horticultural produce, as well as the products of medicinal plants, fisheries, and forestry.

(d) to establish and operate medical benefits and social security schemes for the benefit of agriculturists

Functions of the AAIB under the Farmers Pension and Social Security Benefit Scheme Act

(a) to establish regulations concerning the administration of the Board's affairs in relation to the Scheme

(b) to consult the Advisory Committee for advice on any matters relating to the Scheme

(c) to ensure the maintenance of the necessary actuarial financial and operational reports regarding the Scheme

(d) to monitor, evaluate, and review the Scheme and implement changes to the operational rules as necessary and where empowered to do so;

(e) to ascertain the award to be granted for any contribution as per the terms of the policy issued to him

(f) to employ officers, servants and other employees as are necessary for the efficient management of the Scheme

(g) to do all other things which, in the opinion of the Board, are necessary to facilitate the operation and management of the Scheme.

Analysis

1. Legal form

The AAIB is a corporate body with the authority to enter into contracts. As the purpose of the AAIB is to engage in insurance and similar agreements, the capacity to function as a fully-fledged legal entity is crucial.

2. Level of political independence

This aspect is vital to the wellbeing of the institution. The decisions made by the AAIB carry political ramifications, particularly concerning crop insurance. Hence, there exists an inherent risk that commercial decisions may be swayed by political factors.

The AAIB is governed by a board that consists of a chairman appointed by the Minister and ex officio members who are the secretaries of various Ministries, including the Ministry of Finance. The Act mandates the Board to act in accordance with the minister's directions.

The Farmers Pension and Social Security Benefit Scheme Act has also established an Advisory Committee to counsel the AAIB on issues pertaining to the operation of the pension and welfare schemes. While the Act prohibits a sitting member of Parliament from being a member of the committee, it does not preclude politicians from being appointed. Indeed, the Act allows for several ministerial nominees to be appointed.

3. Institutional structure

The structure leaves much to be desired, as the lines of authority are unclear. Although the AAIB is mandated to oversee the two findings and exercise the powers granted under the Act, the Advisory Committee established by the Pensions Act obscures these lines of authority. Most notably, the chairman of the Advisory Committee and three nominated members are also members of the AAIB. While this overlap may have been intended to enhance collaboration between the two bodies, it could also undermine the Advisory Committee's ability to express independent views and potentially lead to conflicts.

The advisory committee includes influential state functionaries, such as the Treasury, the Central Bank, the Director of Pensions, and the Department of Labour. However, with twelve members, the Committee seems excessively large.

The AAIB can also employ its officers, with the additional option of having public officers on secondment. This offers the institute the opportunity to recruit a skilled workforce.

4. Scope for financial independence

The Act provides for a theoretical degree of financial independence, as it appears that the AAIB has been permitted to maintain its own account. However, as the institution's financial records demonstrate, it is heavily reliant on government financing, without which it would not be considered a going concern.

5. Financial accountability

The Institute is subject to audit by the Auditor General and to other governmental oversight. However, despite an advisory committee and the membership of senior government officials, the financial performance has been extremely poor. As previously stated, there will be additional oversight with the representation of lenders on the board.

6. Ability to structurally evolve

Neither of the Acts contains provisions for statutory restructuring, so major changes to the AAIB would only be possible through legislative intervention.

Recommendation

Regarding the Audit report for the year 2022, the total assets of the Farmers Pension and Social Security Scheme amounted to Rs. 1,516,033,327, while the total liabilities stood at Rs. **87,508,723,633, resulting in liabilities exceeding assets by Rs. 85,992,690,306.** This statistic alone warrants a thorough restructuring of the AAIB.

In the short term, the AAIB should be incorporated with robust governance structures that include provisions similar to those applicable to the boards of public banks and insurance companies. These structures would hold board members accountable for the organisation's financial health. The appointment process for the board should be free from ministerial discretion.

It is recommended that the two funds managed by the AAIB, the Agricultural and Agrarian Insurance Fund and the Farmers' Pension and Social Security Benefit Fund, be managed independently, with overlapping eliminated.

Subject to other policy requirements and acknowledging that the private sector carries out many functions, converting the AAIB into an appropriate legal form, such as a corporation, may be beneficial for transferring these tasks to the private sector.

COCONUT DEVELOPMENT AUTHORITY

Introduction

The Coconut Development Act created the CDA, bringing the functions of the following entities into the Authority.

- (a) the Ceylon Coconut Board, established under the Coconut Products Ordinance,
- (b) the Coconut Research Board established under the Coconut Research Ordinance; and
- (c) The Coconut Fiber Act established the Coconut Fiber Board.

Therefore, it seems an effort was made to amalgamate the functions of related parastatals. Interestingly, 49 years later, this serves as an exercise to assess the success of the initiative from a legislative perspective.

The Objectives of the CDA

- (a) to support the Minister in formulating policies and determining development priorities related to the coconut industry and the economic use of land for coconut plantations;
- (b) to develop or support the development of projects and schemes in line with the established development priorities;
- (c) to implement or assist in the implementation of the proposed projects and schemes;
- (d) to coordinate the activities of the Boards established by the Minister under this Act;
- (e) to approve the Boards' annual budget and to allocate funds to them;
- (f) to advise and assist the Boards in the formulation, implementation and maintenance of proper management accounting systems;
- (g) to evaluate the progress of the Boards in relation to the policy and development priorities determined by the Minister;
- (h) to assist financially and in any other way any person or body of persons (whether corporate or not) engaged in scientific research in respect of any aspect of the coconut industry and its products, or the utilisation of land in and for coconut plantations, and to co-ordinate such research activities;
- (i) to enter cooperation, with the consent of the Minister, with international organisations having allied interests and functions;
- (j) to advise the Minister on all matters relating to or affecting the coconut industry;
- (k) to take all such measures which, in the opinion of the Authority, are necessary for developing and revitalising the coconut industry.

Analysis

1. Legal form

This is a corporate body. However, given that the Authority's initial objectives were mostly policy and coordination, a separate legal entity may not have been necessary.

2. Level of political independence

The Institute is governed by a board comprised exclusively of the Minister's nominees. The board's initial objectives were advisory, so the appointing procedure cannot be faulted.

3. Institutional structure

The structure of the Board leaves room for individuals representing the industry to be appointed.

4. Scope for financial independence

The Act permits a degree of financial independence, as it has been allowed to maintain its own account. It is also entitled to the income generated from the coconut cess and receives a budgetary allocation.

5. Financial accountability

The Institute is subject to audit by the Auditor General and supervision of the COPA/COPE.

6. Ability to structurally evolve

The Act offers an example of a statutory model that can be utilised concerning other parastatals for transformation. The Act empowers the Minister to create statutory Boards through an Order published in the gazette. A Board so created can be specifically responsible for one or more of the functions set out in section 20 of the Act. The Act also leaves room for the Minister to be creative in the legal form of the Board created and the powers bestowed on such boards. Thus, any function or activity that requires divestiture or specific treatment can be entrusted to a Board.

Recommendation

Unfortunately, the Minister's powers to create statutory Boards have only been used to develop the CCB and the Palmyra Development Board. Instead, the Authority functions as a central body and exercises all the functions designed to be implemented through separate Boards. Thus, the Authority has lost sight of its original objective of being an advisory, supervisory, and coordinating body.

If the intention is to continue as a central authority with some commercial operations, it is highly recommended that the Authority be made politically independent, structurally robust, and managed professionally.

Subject to other policy considerations, however, it is suggested that the commercial operations/ functions be transferred to one or more Boards created under the Act to be conducted independently and as self-sustaining entities. This would leave the authority to function according to how it was first envisaged.

COCONUT CULTIVATION BOARD

Introduction

Introduction Coconut Cultivation Board, was established to develop the coconut plantation in the island by an order published in the Government gazette notification dated 30th March 1972 under the powers vested in terms of the provisions of the Coconut Development Act No. 46 of 1971

The Objectives of the CCB

- a) Development and assistance in the development of the productivity of lands under coconut plantations
- b) Cultivation and assistance in the promotion and regulation of the cultivation of lands with coconut
- c) Identification of land in coconut plantations suitable for inter-planting with other crops (including pasture) and the promotion, direction and assistance in carrying out intercropping programs on such lands.
- d) Promotion and regulation of assistance and engagement in animal husbandry of lands under coconut plantations
- e) Specification, popularisation, promotion, and direction of proper cultivation practices for growing coconuts and other crops in coconut plantations.
- f) Training, advisory and extension workers assisting the coconut industry.

Analysis

1. Legal form

This is a corporate body

2. Level of political independence

The Institute is governed by a board, which comprises exclusively nominees of the Minister.

3. Institutional structure

The structure of the Board leaves room for individuals representing the industry to be appointed.

4. Scope for financial independence

The Act permits a degree of financial independence, as it allows the company to maintain its account. Additionally, it receives a budgetary allocation.

5. Financial accountability

The Institute is subject to audit by the Auditor General, and supervision of the COPA/COPE.

6. Ability to structurally evolve

The Act does not offer a method for a Board to evolve further.

Recommendation

None.

THE PALMYRAH DEVELOPMENT BOARD

The Palmyra Development Board (PDB),, which initially came under the Ministry of Plantations, was constituted by a Gazette notification of 18 August 1978 published in terms of Amendment No. 24 of 1975 to the Sri Lanka Coconut Development Act no 46 of 1971 to carry out all functions related to Palmyra plantations. Thus, the views expressed regarding the CCB are equally applicable here.

DEPARTMENT OF EXPORT AGRICULTURE

Introduction

Act No. 46 of 1992 redesignated the Department of Export Agriculture, previously known as the Department of Minor Export Crops. As the Department is directly within the Ministry of Plantations, the methodology used for analysing Parastatals would not apply here. Instead, the Act would be analysed to determine the powers granted to the Department and consider any lacunas.

Legal form

the DG in carrying out or giving effect to the provisions of this Act.

Legal Form

The Divisions are not entities in the strict sense but can be characterized as an administrative arrangement within the department created for the purpose of administrative efficacy. They do not possess a separate legal personality. They also do not have a statutory mandate, but work in terms of a mandate prescribed by the The Department does not possess a separate legal personality. All contracts are to be entered by the Director of Export Agriculture. It does not have a statutory mandate but works in terms of a mandate prescribed by the Minister. However, the Act requires the Department to engage in Export agriculture.

The Administrative Structure

The Department is headed by a director and is assisted by deputy Directors and assistant Directors. The staff of the Department is composed exclusively of public servants.

Acquisition of Property

Due to the absence a legal form these units are unable to independently acquire property and are thus reliant on the Ministry to procure property for its use.

Staff

The staff are members of the Sri Lanka Administrative service (SLAS) and are thus subject to the provisions of the Establishments code, financial regulations, financial guidelines, and circulars issued by the Ministry of Finance, the National Audit Act and such other legislation.

Stakeholder engagement

Unlike statutory bodies, which statutorily require the appointment of stakeholders as decision makers, the Department being exclusively composed of public servants leaves very little room for meaningful engagement and input from the stakeholders.

Financial Independence

The Department is subject to the overall budgetary limits set by the Ministry and is unable to procure funds on an independent basis. It is subject to the supervision of the Secretary to the Ministry in respect of accounting and audit.

Recommendation

No changes are recommended to the statute.

THE DEPARTMENT OF ANIMAL PRODUCTION AND HEALTH (DAPH)

The Department of Animal Production and Health (DAPH) is the state organization responsible for providing technical leadership and support services for the development of livestock Industry in Sri Lanka.

The DAPH presently operates through its six (06) technical divisions, namely, Animal Health, Animal Breeding, Veterinary Research, Human Resource Development, Livestock Planning and Economics, Veterinary Regulatory Affairs.

Structure

The Department was created by the Provisions of the Animal Diseases Act No 59 of 1992 and requires the Act to administered by a Director of Animal Production and Health and such number of Deputy Directors and Assistant. Directors of Animal Production and Health and such other officers as may be required for the purpose of assisting Minister.

This also contributes to the inability of these institutions to enter in to contract/partnership/ similar arrangements with private sector/other public sector entities to achieve their objectives

Acquisition of Property

Due to the absence a legal form these units are unable to independently acquire property and are thus reliant on the Ministry to procure property for its use.

Staff

The staff are members of the Sri Lanka Administrative service (SLAS) and are thus subject to the provisions of the Establishments code, financial regulations, financial guidelines, and circulars issued by the Ministry of Finance, the National Audit Act and such other legislation.

Stakeholder engagement

Unlike statutory bodies, which statutorily require the appointment of stakeholders as decision makers, these units being exclusively composed of public servants leaves very little room for meaningful engagement and input from the stakeholders.

Financial Independence

The units are subject to the overall budgetary limits set by the Ministry and are unable to procure funds on an independent basis. They are also subject to the supervision of the Secretary to the Ministry in respect of accounting and audit.

They are also unable to utilize any income generated due to the prohibition set out in financial regulations.

Recommendation

The Veterinary Research Institute is the sole national-level institution committed to conducting research and development for Sri Lanka's livestock sector. It is suggested that the Institute be carved out of the Department by creating a **statutory** research institute, much like the institutes created in the agriculture sector, so that it may relieve itself of the bureaucratic shackles of the department.

Several of the divisions of the Department appear to engage in commercial activities. The possibility of running the same as independent commercial entities in the form of Companies or corporations can be explored.

HECTOR KOBBEKADUWA AGRARIAN RESEARCH AND TRAINING INSTITUTE ACT

HARTI was established by Act No 5 of 1972, which has been amended twice since, with the last amendment in 1995.

The objects of the institute

- (a) to foster, assist, encourage and co-operate in agrarian research
- (b) to co-ordinate agrarian research undertaken by Government departments, local authorities, public Corporations and other institutions
- (c) to carry out investigations and research relating to institutional factors affecting the development of agriculture
- (d) to undertake investigations, research and studies relating to economic use of land for agricultural purposes
- (e) to carry out socio-economic research relating to agricultural and rural development
- (f) to provide or implement training facilities and programmes relating to agrarian research, either alone or in association with other institutions in Sri Lanka or abroad and to award diplomas, degrees, prizes and distinctions in connection therewith
- (g) to sponsor and hold conferences and seminars, and publish journals and magazines in connection with agrarian research and training
- (h) to carry out such research relating to problems of agrarian structure in cooperation with Asian countries to serve their regional needs and provide a centre for the collection and dissemination of information on agrarian problems; and
- (i) to relate such research to problems connected with agrarian development and modernization with special reference to Sri Lanka and other Asian countries in general

The Powers of the Institute

- (a) Acquire in any manner whatsoever and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property
- (b) Acquire, establish, install and operate field training centres and pilot projects relating to agrarian research
- (c) Import plant, machinery and equipment required for the purpose of the Institute and receive equipment, funds, personnel and any other assistance for the efficient conduct of the Institute
- (d) Conduct, assist, co-ordinate and encourage research into all aspects of agrarian development
- (e) Levy fees or charges for any services rendered by the Institute
- (f) Appoint, employ, remunerate and exercise disciplinary control over its officers and servants
- (g) Establish and maintain provident funds and provide welfare and recreational facilities for its employees
- (h) Make rules in respect of the administration of the affairs of the Institute
- (i) Delegate to any member, the Director of the Institute, or any employee such functions as the Board of Governors may consider necessary for the efficient transaction of its business
- (j) Make rules about its officers and servants, including the appointment, promotion, remuneration, disciplinary control, conduct and the grant of leave

(k) Enter any land or premises to carry out investigations and record data, inspection of books and documents and taking copies or extracts therefrom, relating to agricultural development

(l) do all other things which, in the opinion of the Board of Governors, are necessary or conducive or incidental to the attainment of the objects of the Institute.

Analysis

1. Legal form

This is a corporate body with the power to enter into contracts. The Act contains elaborate provisions compared to previous legislation on research-oriented parastatals.

2. Level of political independence

The institute is legally obliged to adhere to the government's policy and the minister's general or specific directives.

The Institute is governed by a board of governors, comprising the Minister's nominees and ex officio members. Encouragingly, there are no discretionary appointments, and all appointments are preferable to those associated with the agricultural industry. Interestingly, a seat has also been allocated to a representative from the FAO and a representative from the Central Bank. As such, the statutory scheme promotes a commendable degree of independence.

3. Institutional structure

The Board's structure indicates that a diverse array of stakeholders is involved. However, this number is likely too large, given that most commercial entities tend to have much smaller Boards.

The Institute can employ its officers and has the additional option of having public officers on secondment. This allows the institute to have a skilled workforce.

4. Scope for financial independence

The Act allows for a certain degree of financial independence, as it seems permitted to maintain its own account. However, due to its limited income, it will still be largely dependent on government funding, which requires parliamentary approval.

5. Financial accountability

The Institute is subject to audit by the Auditor General. As previously stated, there will be further oversight concerning the representation of lenders on the board.

Significantly, the Institute has been subject to the provisions of the Public Corporations (Financial Control) Act, which contains extensive controls on the use of funds and financial reporting.

6. Ability to structurally evolve

The Act does not include provisions for non-statutory restructuring, meaning that significant changes to the institute would require legislative intervention. However, under the Public Corporations (Financial Control) Act, the Institute could be liquidated if it cannot pay its debts and becomes insolvent.

Recommendation

The Institute, which has a research component to its mandate, would require a substantial budget. If evidence demonstrates that this is not regularly received, it would be necessary to make the Institute accessible to private funding. Such funding would require more independence and direct oversight by donors. It would also require sharing IP with such donors. As such, it is recommended that the Act be amended to facilitate more donor participation in its functioning.

As stated above, a smaller board of governors would be beneficial, along with an advisory panel if necessary.

While the Public Corporations (Financial Control) Act provides critical financial controls, it is also substantially restrictive and may stifle its activities.

SRI LANKA COUNCIL FOR AGRICULTURAL RESEARCH POLICY

The SLCARP is a statutory board established in 1987, and the objectives outlined in the Act are as follows:

- (a) To counsel the Government on all issues concerning the organisation, coordination, planning, and implementation of agricultural research, along with any other related matters that may be referred to it by the Minister
- (b) To develop national agricultural research policies and priorities
- (c) To articulate the overarching aims and scope of agricultural research to advance national development objectives
- (d) To provide recommendations to the relevant authorities regarding the financial, human resources, and physical resources needed by agricultural research institutions and establishments, as well as the terms and conditions of service for the staff of those institutions and establishments
- (e) To review institutional and departmental agricultural research programmes and make recommendations regarding their priorities and funding to the Ministry of the Minister responsible for Finance and Planning
- (f) To foster and enhance excellence in agricultural research
- (g) To serve as a conduit for communication between agricultural research institutions and the Government
- (h) To organise and finance inter-institutional agricultural research projects
- (i) to organise and finance specialised scientific services for the entire agricultural research sector
- (j) To promote collaboration between agricultural research institutions at the national and international levels

- (k) Organise conferences and seminars on international, national, and inter-institutional matters concerning agricultural research.
- (l) to organise the postgraduate training of agricultural research staff and facilitate the interchange of scientists with recognised research institutions abroad
- (m) to periodically review the performance of agricultural research projects, institutions, and divisions

The Powers of the Council

- (a) to acquire in any manner and retain any property, whether movable or immovable, and to sell, lease, mortgage, exchange, or otherwise dispose of it
- (b) to open, manage, and close any current, savings, or deposit accounts with any bank or banks
- (c) to engage in all necessary contracts for the exercise, performance, or discharge of its powers, duties, or functions
- (d) to invest its funds in securities that it considers appropriate
- (e) to appoint, employ, compensate, and exercise disciplinary oversight of its officers and staff
- (f) to establish regulations regarding the management of the Council's affairs
- (g) to delegate to any member, the Secretary, an officer, or a servant of the Council, such functions as the Council deems necessary for the efficient conduct of its business
- (h) to establish rules regarding the conduct of the meetings of the Council or any of its committees on issues not expressly addressed in this Act.

Analysis

1. Legal form

This is a body corporate with the power to enter into contracts. The Act contains fairly elaborate provisions comparable to those provided for the HARTI.

2. Degree of political independence

The Council is statutorily required to follow the government's policy and the minister's general or specific directions.

The Council consists of 14 members appointed by the Minister. However, the Minister must adhere to certain minimum criteria when making the appointments. This creates an opportunity for potential abuse in the appointment process.

3. Institutional structure

The structure of the Council is an attempt at obtaining diverse views from experts and stakeholders of the agri research sector. However, this is probably too large a number, when one considers that most commercial entities have much smaller Boards.

The Council can employ its officers, and public officers on secondment are also an option. This allows the institute to have a skilled workforce.

4. Scope for financial independence

The Act allows for a certain level of financial independence, as it specifically requires the Council to maintain its own fund. Furthermore, the Act indicates that the Council will receive state funding, although it is permitted to supplement its funds from other sources.

5. Financial accountability

The Council is subject to audit by the Auditor General.

6. Ability to structurally evolve

The Act lacks provisions for non-statutory restructuring; therefore, significant changes to the Council could only occur through legislative intervention.

Recommendation

The Council seems to have been established as the primary body for coordinating agricultural research in the country. This aims to be achieved through consensual means by making collective decisions at the Council. However, it is important to note that the Council has not been granted any political superiority over other research bodies. Thus, decisions made will only be effective to the extent of the cooperation received from the various institutes. It is recommended that the Council be granted some overarching powers so that it can exercise oversight over other bodies and even compel policy direction.

COCONUT RESEARCH INSTITUTE

Ordinance No.29 created this in 1928. It has been regularly amended since then, with the last amendment taking place in 1984.

The Objectives of the Institute

- (a) Managing, conducting, and advancing scientific research on coconuts and matters related to the coconut industry, especially the growth and cultivation of coconut palms,
- (b) The prevention and cure of diseases and pests,
- (c) The utilisation and marketing of the products of coconut palms

The Powers of the Institute

- 1. The board may acquire and hold property, both movable and immovable, and may sell, transfer, lease, mortgage, or otherwise dispose of the same, along with any produce thereof. Furthermore, it may direct and undertake all actions necessary for or incidental to the aims of its constitution.
- 2. The board may establish experimental stations for the purposes of this Ordinance and may equip them with buildings, houses, laboratories, factories, and all other appurtenances or accessories as it deems appropriate.
- 3. The board shall, by the provision and publication of information, as well as by advice and demonstration and the inspection of plantations, give practical assistance to individuals involved in the coconut industry. The board shall also provide such facilities for the education of students in coconut research as the Minister may from time to time direct.
- 4. The board shall possess full power and authority to govern, direct, and determine all matters related to the appointment of its officers and staff, the administration of its affairs, and the achievement of its objectives and purposes:
- 5. Such power and authority shall encompass the ability to create rules, contingent upon the approval of the Minister and Parliament.

Analysis

1. Legal form

This is a corporate body with the power to enter into contracts. Given the aforesaid objectives, this separate legal existence is essential.

2. Level of political independence

The Institute is governed by a board, mainly comprising ex officio members. However, the Act entitles the Minister to nominate two Parliamentarians to the Board, as well as members from several stakeholder organisations. The presence of Parliament members on the board of a research institute is difficult to justify. The institute has very limited commercial objectives; therefore, the Minister's powers to nominate members to the board may not be entirely unhelpful. However, the appointing procedure is prone to abuse, with the potential for unsuitable individuals to be nominated.

3. Institutional structure

The structure of the Board allows for the appointment of individuals representing the industry, thereby facilitating decisions that consider multiple perspectives.

The Institute can also employ its officers, with the added option of utilising public officers on secondment. This provides the Institute with the opportunity to maintain a skilled workforce.

4. Scope for financial independence

Incidentally, it appears that the Board was expected to be financially self-sufficient at its inception. At incorporation, part of its capital was a grant by the state, whereas the remainder was a loan repayable in installments.

The Act permits a degree of financial independence, as it has been permitted to maintain its own account, and all income can be drawn from that account.

The Act also provides exemptions from certain taxes and duties on imports, which may present a considerable advantage to the institute.

Interestingly, no specific lending powers have been granted to the Board, although it can be argued that such powers could be permissible. Likewise, the Board has not been granted specific authority to acquire foreign channels of funding or grants.

5. Financial accountability

The Board is subject to audit by the Auditor General.

6. Ability to structurally evolve

The Act does not include provisions for non-statutory restructuring, meaning that significant changes to the Board would only be feasible through legislative intervention.

Recommendation

The Act must explicitly outline the Board's authority to lend, invest its income, and secure foreign grants.

The Act also does not mention the Board's powers to generate IP and exploit it for the benefit of the Board and the country.

Provisions should be included to ensure the Board is financially and politically independent while reducing bureaucratic processes.

RUBBER RESEARCH BOARD

The Rubber Research Ordinance No. 10 of 1930 was the first legislation enacted in Ceylon regarding Rubber Research. In 1951, an amendment was passed to establish a Rubber Research Board to develop the country's rubber industry. The Ordinance has been regularly amended over the years, with the most significant changes taking place in 2003.

It is interesting to note that the Rubber Research Institute under review appears to have a statutory basis. It functions as a product of the Rubber Research Board. The purposes for which the Board was established in 1951 can be inferred from the long title of the Act, which is as follows.

1. Furthering and developing the rubber industry,
2. Establishing and maintaining a rubber research institution
3. Managing, conducting, encouraging and promoting scientific research in respect of rubber and all problems connected with the rubber industry,
 - (a) The growth and cultivation of rubber plants,
 - (b) The prevention and cure of diseases, blights and pests,
 - (c) The processes for the treatment of rubber latex and the conversion of such latex into marketable rubber,
 - (d) The utilization, marketing, and disposal of rubber and in general, of all products derived from rubber plants

The Act confers the following powers on the Board.

- (a) Hold and receive property
- (b) Borrow money
- (c) Apply for, purchase or otherwise acquire any patents, brevets d'invention, concessions and the like conferring an exclusive or non-exclusive or limited right to use, or any information
- (d) Provide practical assistance to persons engaged in the rubber industry
- (e) Provide such facilities for the education of students in rubber research
- (f) Power to make rules subject to the approval of the Minister and the Parliament

Analysis

1. Legal form

This is a corporate entity with the authority to enter into contracts. Considering the aforementioned objectives, this distinct legal existence is crucial.

2. Level of political independence

The Institute is governed by a board primarily composed of ex officio members and representatives from various stakeholder organisations. The Institute has very limited commercial objectives; therefore, the minister's powers to nominate board members may not be entirely unhelpful. However, the appointment procedure can be prone to abuse, potentially leading to the nomination of individuals who may not be entirely suitable for the role.

3. Institutional structure

The structure of the Board provides for the appointment of individuals representing the industry, thereby allowing for decisions that are considered from multiple perspectives.

The Institute is also able to employ its officers, with the additional option of having public officers on secondment. This offers the opportunity for the Institute to have a skilled workforce.

4. Scope for financial independence

The Act permits a degree of financial independence, as it has been permitted to maintain its own account, and all income can be drawn from that account.

To provide an annual income for the Board, the Act authorises the imposition of an export duty of eight cents on every kilogram of rubber exported from Sri Lanka. This revenue is to be received directly by the Board, rather than from the treasury. While this could grant the Board financial independence, it is important to note that the rate has remained unchanged since 1951.

A significant aspect of the Act is that the Board can obtain customs duty exemption on items imported for its own use. This could provide a substantial cost advantage to the Board in comparison to research institutions.

Similarly, no specific authority has been granted to the board to acquire foreign channels of funding/grants.

5. Financial accountability

The Board is subject to audit by the Auditor General. The Act also requires the Board to employ a chartered auditor to audit its finances.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring, so major changes to the Board would only be possible through legislative intervention.

Recommendation

The Act should explicitly outline the Board's authority to invest its income and secure foreign grants.

Provisions must be included to make the Board financially and politically independent and less bureaucratic.

SUGARCANE RESEARCH INSTITUTE

This was established in 1981 by Act No. 75 of that year.

The Objectives of the Institute

Conduct research with respect to the growth and cultivation of sugarcane and the manufacture of any product therefrom.

The Powers of the Institute

1. Acquire by any means and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property.
2. Acquire, establish, install, and operate field training centres and pilot projects related to sugarcane research
3. Import plant, machinery, and equipment necessary for the purpose and acquire equipment, funds, and any other support for the effective operation of the Institute.
4. Levy fees or charges for any services rendered by the Institute

Analysis

1. Legal form

This is a corporate body with the power to enter contracts. Given the aforesaid objectives, this separate legal existence is essential.

2. Level of political independence

The Institute is governed by a board of governors, three of whom are eminent scientists. However, the Act grants the Minister the authority to nominate two members to the Board, along with the Director of the Institute, who, ex officio, becomes a member of the Board. While the significance given to researchers is acknowledged, the appointment procedure could be susceptible to misuse, allowing for individuals who may not be entirely fit for the role to be nominated.

3. Institutional structure

The structure of the Institute fails to accommodate individuals representing the industry to be appointed. The Act requires the Sugar Corporation to nominate a governor. However,

presently, with the Sugar Corporation being run as a company wholly owned by the government, whether the said preference need to be continued is a matter to be considered.

4. Scope for financial independence

The Act permits a degree of financial independence as it has been permitted to maintain its own account so that all income could be drawn to such account.

The Act also offers the income from a cess imposed on imported sugar to be credited to the Fund. Thus, a significant channel for funding has been offered to the institute.

Most interestingly no specific lending powers have been granted to the Board, though it is arguable that it is permissible. Similarly, no specific authority has been granted to the board to acquire foreign channels of funding/grants.

5. Financial accountability

The Institute is subject to audit by the Auditor General.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring and as such major changes to the Board would only be possible to legislative intervention.

Recommendation

The Board should be made more representative with the inclusion of industry stakeholders, especially from the private sector.

The powers of the Institute to lend, invest its income and also to obtain foreign grants must be specifically included in the Act.

The Act also does not mention the Institute's powers in generating IP and exploiting the same for the benefit of the Board and the country and should be appropriately remedied.

TEA RESEARCH BOARD

The Tea Research Institute was first incorporated by Ordinance No 12 of 1925, which required the Institute to be governed by a Board. Although the Ordinance did not outline any elaborate objectives, it specified that the purpose of the Institute was to research and investigate all problems and matters relating to tea, as well as the provide and publish information on the same, and to facilitate the education of students in tea research. Following the establishment of the Ceylon Tea Board, the Tea Research Ordinance was repealed, and the functions of the Institute were transferred to the Tea Board. However, in 1993, by Act No. 52, Parliament enacted the Tea Research Board Act, re-

establishing the Tea Research Board to oversee the Tea Research Institute. Since then, the Act has undergone several amendments.

Objectives

- (a) To conduct, assist, and encourage scientific and technological research into, and investigations of, all matters relating to the production and manufacture of tea, including the prevention and control of diseases and pests affecting tea, the conservation of soil in tea lands, the quality of fertiliser used, the maintenance of tea planting material quality, the assessment and management of the impact of climate change, and the diversification of tea products; and to publish and disseminate, at its discretion, the results of such research to the Tea Small Holdings Development Authority established by the Tea Small Holdings Development Law, No. 35 of 1975, to tea smallholders, the large-scale estate sector, and other stakeholders;
- (b) To conduct, assist, and encourage research into the economic viability of the tea industry in Sri Lanka, including future economic trends within the industry.
- (c) To manage and supervise the Tea Research Institute situated in Talawakelle , along with its substations, in accordance with the regulations of the Board.
- (d) To establish and sustain relationships with research institutions in Sri Lanka and overseas.
- (e) To carry out joint study programmes, seminars, or symposia with foreign research institutions and those in Sri Lanka while fulfilling its functions.
- (f) To encourage investment in tea research
- (g) To collect and disseminate data on the tea industry and to conduct research to determine its development potential.
- (h) To offer the Minister guidance on suitable policies related to the tea industry and to communicate with other relevant agencies.

Analysis

1. Legal form
This is a corporate body with the power to enter into contracts. Given the aforementioned objectives, whis separate legal existence is essential.
2. Level of political independence
The Institute is governed by a Board, which mainly comprises ex officio members and members of several stakeholder organizations. The institute has very limited commercial objectives, so the minister's powers to nominate members to the board may not be entirely unhelpful. However, the appointing procedure does lend itself to abuse, with the possibility of persons not entirely suitable for the office being nominated.
3. Institutional structure
The structure of the Board allows for the appointment of individuals representing the industry, thus enabling decisions to be considered from multiple perspectives.

The Tea Board was perhaps one of the early institutes to have a working director who served as its chief executive officer.

The Institute is also able to employ its officers, with the additional option of having public officers on secondment. This offers the opportunity for the Institute to have a skilled workforce.

4. Scope for financial independence

The Act permits a degree of financial independence, as it has been permitted to maintain its own account, and all income can be drawn from that account.

The Board also receives income from a cess on Tea exports. The Act also allows the Board to obtain a customs duty exemption on items imported for its use, which could offer the Board a significant cost advantage over research institutions.

5. Financial accountability

The Board is subject to audit by the Auditor General. The Act also mandates that the Board engage a chartered auditor to examine its finances.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring, so major changes to the Board would only be possible through legislative intervention.

Recommendation

The Act must specifically include the Board's powers to invest its income and obtain foreign grants.

The Act does not include any provisions regarding the monetisation of intellectual property or confidentiality. This must be incorporated.

Provisions must be included to make the Board financially and politically independent and less bureaucratic.

NATIONAL RESEARCH COUNCIL OF SRI LANKA

Introduction

The NRC began as a project under the guidance of the Presidential Secretariat until it was formally established in 2011. Today, it is the principal agency funding research and development in Science and Technology in Sri Lanka.

The Objectives

(a) to provide grants for the conduct of research relating to science and technology to achieve the objectives of the Council

- (b) to facilitate, coordinate, supervise, and monitor research related to science and technology regarding grants provided to higher education institutions, public sector research institutes, and other governmental bodies, ensuring the efficient utilisation of government investments in research.
- (c) to import plant, machinery and equipment required for the purpose of the receive equipment, funds and any other assistance from recognised local or foreign sources for the efficient conduct of the Council
- (d) to collect, print and publish reports, periodicals and papers on research relating to science and technology and related subjects
- (e) to award scholarships and fellowships for scientific study or scientific work at science and technology institutions local or foreign
- (f) to develop a national system to recognize and grant awards for research and innovations relating to science and technology; and
- (g) to conduct lectures, seminars and workshops on research relating to science and technology and related subjects.

Legal Form

The NRC, much like the other research bodies in Sri Lanka have been incorporated as a legal person, allowing it to enter into contracts, borrow, own property in its own name etc.

Political independence

The Council consists of 10 scientists appointed by the Minister as well as two ex officio members. The appointed members also have a fair degree of security of tenure. Whilst the Council is subject to the general policy direction of the government it appears that the structure affords the members sufficient independence to carry out their functions

Institutional Structure

A feature of the NRC is the provision to appoint a chief executive officer, in a manner similar to private organisations. Thus, an individual has been vested with the responsibility of driving performance. The CEO has been given a renewable tenure of 5 years, ensuring that his tenure surpasses that of the council thereby ensuring continuity.

The NRC can employ individuals from the private and public sectors and set appropriate salaries, which is significant in attracting suitable employees.

Scope for financial independence

The Act allows for a certain degree of financial independence, since it seems the institution has been granted permission to maintain its own account. Nevertheless, the institution remains heavily dependent on government funding.

Financial accountability

The Institute is subject to audit by the Auditor General and other governmental oversight. The ex officio representative from the Ministry of Finance may also foster greater accountability.

Ability to structurally evolve

The Act does not contain provisions for statutory restructuring and as such major changes to the NRC would only be possible to legislative intervention.

Recommendation

We see no requirement for the amendment to the Act.

SRI LANKA TEA BOARD

The Board was created in 1970 by Act No. 15, which repealed the Tea Research Board, the Tea Propaganda Board, and the Tea Subsidy Act and amalgamated the functions and powers of several Acts.

Objects of the Board

- (a) the promotion, by such measures as it thinks fit, of the development of the tea industry in Ceylon
- (b) regulating the activities of the tea industry in Ceylon

Powers of the Board

- (a) to regulate the production and cultivation of tea in Ceylon, including the establishment of new tea areas, the replanting of existing estates and smallholdings with high-yielding material, the rehabilitation of estates and smallholdings, the diversification of estates and smallholdings through the establishment and operation of dairy industries, and the replacement of tea on these estates and smallholdings with other crops;
- (b) to regulate the establishment and operation of tea factories, including factories for the manufacture of instant tea
- (c) to regulate the sale of tea, including the management of tea auctions
- (d) to regulate the export of tea, along with the arrangements concerning its shipping and freight
- (e) to assist and encourage the marketing of tea within and beyond Ceylon, as well as to promote global demand for tea in the world's markets.
- (f) to conduct, assist, and encourage scientific and technological research into all issues and matters affecting the production and manufacture of tea, the control of tea diseases, and the enhancement of tea quality, as well as to publish and disseminate information regarding the results of such research at its discretion;
- (g) to conduct, assist, and promote research into the economic condition of the tea industry, including future economic trends both in Ceylon and elsewhere.
- (h) to assist in securing supplies of machinery, equipment, and other commodities necessary for the development of the tea industry in Ceylon
- (i) to offer financial, advisory, or other support to individuals involved in the cultivation or production of tea;
- (j) to safeguard the interests of the workers in the tea industry to foster increased performance as well as to ensure their economic and social wellbeing

(k) to gather statistics from growers, manufacturers, dealers, or other individuals on any matter related to the tea industry, and to publish such statistics at its discretion.

(l) To provide the necessary liaison between the tea industry and Government or State Corporation departments to promote and coordinate action for the development of the tea industry in Ceylon.

Analysis

1. Legal form

This is a corporate body with the power to enter contracts. Given the aforesaid objectives, this separate legal existence is essential.

2. Level of political independence

The Board primarily consists of ex officio members and individuals from the industry appointed by the Prime Minister. The appointment process is open to potential misuse, allowing for the nomination of individuals who may not be entirely suitable for the role.

3. Institutional structure

The structure of the Board allows for the appointment of individuals representing the industry, thus facilitating decisions that consider multiple perspectives. However, if the Board is to adopt a more commercial role, a mandate must be established to appoint individuals from more diverse backgrounds with varied expertise.

The Institute is also able to employ its officers, with the additional option of having public officers on secondment. This offers the opportunity for the Institute to have a skilled workforce.

4. Scope for financial independence

The Act permits a high degree of financial independence by creating the central tea fund. Export duties, fees, and sales proceeds from tea are directly remitted to the fund, which has resulted in the tea board accumulating a large amount of money.

An important feature of the Act is that the Board can obtain a customs duty exemption on items imported for its use. This could offer the Board a significant cost advantage over research institutions.

5. Financial accountability

The Board is subject to audit by the Auditor General and is required to employ a chartered auditor to assist the Auditor General. Given the large fund at its disposal, robust control and audit measures are paramount.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring and as such major changes to the Board would only be possible to legislative intervention.

Recommendation

The Act established in the 1970s was intended to address the state-controlled nature of the industry. Half a century later, the industry has undergone liberalisation, and the Board's functions are now more limited in scope than originally anticipated. Consequently, the Board's scope must be appropriately expanded to meet current industry needs.

The Board is statutorily vested with the regulatory aspects of the industry. This may be incompatible with the commercial focus currently being explored by the Tea Board. Therefore, the possibility of separating the commercial function of the Tea Board and placing it under a modern entity may be considered. The commercial arm can still fund the regulatory work without their functions being intertwined.

SRI LANKA STATE PLANTATIONS CORPORATION

Introduction

The Ceylon State Plantation Corporation was established under the Ceylon State Plantation Corporation Act No. 4 of 1958. Following the Land Reform Law of 1972, many privately owned plantations were vested in the Corporation. An amendment to the Act in 1979 formed the present Sri Lanka State Plantations Corporation with broader powers. In February 1980, four regional boards with increased authority were created to improve the performance of regional offices. Recognising the ineffectiveness of these reforms, the government established 22 regional plantation companies in 1992 under the "Conversion of Government Owned Business Undertakings into Public Corporations Act." These 22 local plantation companies were tasked with managing 402 profitable and agriculturally productive estates owned by the Sri Lanka State Plantation Corporation and the Janatha Estate Development Board. In 1992, the entire staff of the State Plantation Corporation was retired, and all operations ceased. However, in 1994, the government reversed its policy and resumed operations. Currently, the SLSPC manages 16 plantations, which have consistently been loss-making.

Objectives of the SLSPC in terms of the Act are as follows.

- (a) To manage agricultural and estate lands vested in, transferred or alienated to the Corporation by the Government or any other person or acquired by the Corporation, and to promote optimum productivity on such lands
- (b) To co-ordinate and manage agricultural crops by rehabilitating existing crops or diversifying crops on such lands
- (c) To raise livestock on such lands
- (d) To process and sell agricultural produce
- (e) To establish, maintain and operate plant, equipment and machinery for agricultural purposes on such lands vested in, transferred or alienated to the Corporation by the Government or any other person, or acquired by the Corporation
- (g) To perform functions connected with secretarial work, accounting and audit in relation to the business of the Corporation

- (h) To provide a comprehensive the management service in respect of its plantation business
- (i) To carry out all such measures as are deemed necessary in the interest of the proper management of such lands
- (j) To carry out any other business incidental to the operation and incidental to the operation management of the Corporation.

Analysis

1. Legal form

This is a state corporation established by statute. Consequently, it possesses most of the legal characteristics of a state corporation, including legal personality, contractual capacity, lending powers, and borrowing powers. However, it lacks the extensive provisions of the State Agricultural Corporations Act. It is believed that had this entity been included under the latter, its liquidation could have been executed in accordance with the provisions of that Act.

2. Level of political independence

The Board consists almost entirely of ministerial appointees, with minimal criteria specified in the Act. This has generally opened the door for political appointees, who often lack the necessary skills to effectively manage and operate the SLSPC.

The members are appointed for a period of three years. While the Act does not prevent tenure renewal, it is believed that a three-year term does not allow members to implement long-term strategies and contributes to short-termism. The Minister is also entitled to terminate the membership at their discretion. Therefore, the members have no security of tenure and must follow the lead of their political superiors.

3. Institutional structure

The structure of the Board theoretically allows individuals representing the industry to be appointed, thereby allowing for decisions that are considered from multiple perspectives.

4. Scope for financial independence

The Act allows for a considerable degree of financial independence. Indeed, there are evident signs of efforts made to assist the SLSPC in achieving financial health. The requirement for an accountant and an economist on the Board serves as an example. Additionally, there is a mandatory stipulation for a representative from the treasury. However, it seems that these measures have been ineffective, considering the extent to which the institution is burdened with debt and reliant on treasury funding.

5. Financial accountability

The Act has also made attempts to hold the SLSPC accountable by specifying that (a) the Report of the Corporation, (b) a copy of the auditor's report together with the Auditor-General's comments (if any) on, and his supplement (if any) to, such report, (c) the Profit and Loss Account, and (d) the Balance Sheet must be submitted to the Minister, who is required to present them to Parliament. The Act also requires the SLSPC to be audited by a chartered auditor annually and to report to the Auditor General, who has overall supervisory auditing powers over the SLSPC.

Despite this, the 2020 annual report indicates that the reports for the years 2016, 2017, 2018, and 2019 were only submitted in 2019. Therefore, all these measures under scrutiny seem to have failed miserably.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring, so major changes to the SLSPC would only be possible through legislative intervention.

Recommendation

The SLSPC's market share in terms of production is 0.52%. Thus, it seems there is very little justification for its continued existence and the consequent drain on the treasury. It is recommended that either divestiture or liquidation be considered. For this purpose, the Act would need to be suitably amended.

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

Introduction

The Tea Small Holdings Development Authority was established on 1 February 1977 under the Tea Small Holdings Development Act, No. 35 of 1975. The Act has been amended several times since, most notably to introduce and register smallholding development societies.

The Objectives of the TSHDA

1. To promote or engage in the development of small tea holdings and other tea estates that do not possess their own means of production.
2. To acquire or establish tea factories and other facilities required for production from such tea lands
3. To promote or engage in the marketing of products from such factories or tea estates.
4. To register and regulate Tea Small Holding Development Societies while assisting the members of those Societies registered with the Authority.
5. To encourage investment in small tea holdings
6. To embark on the collection and dissemination of data and to determine the development potential of tea smallholdings.
7. To advise the Ministry on suitable policies and coordinate with other pertinent agencies.

Analysis

1. Legal form

This body corporate is endowed with the customary powers granted to such entities. Its mandate encompasses all facets of the tea smallholding sector and aims to promote its development. Therefore, the extensive powers conferred upon the authority are justified.

2. Level of political independence

The TSHDA comprises members appointed by the Minister and nominated by various stakeholder groups. These include the Federation of Tea Small Holding Development Societies, labour unions, Planters, tea factory owners, etc. This representative character militates against

significant political influence. However, ultimately, this would depend on the level of interest taken by the members.

3. Institutional structure

The functions and powers of the Institute are carried out by its members, allowing individuals with various expertise to share their views and contribute to decisions considered from multiple perspectives.

The Act also requires any member with a potential conflict of interest in any decision to be made to disclose such conflict and recuse himself from the deliberations. This is an important provision, given the potential for conflict due to the varied parties among the members.

The Authority is also able to employ its officers with the additional option of having public officers on secondment. This offers the opportunity for the institute to for a skilled workforce.

4. Scope for financial independence

Unlike most institutions, the Act does not establish a separate fund for the Authority. This represents a significant gap in the Act. Given that the Authority is expected to receive external funding from various sources, it is essential to create a dedicated fund. Otherwise, the Authority would lack sufficient financial autonomy.

5. Financial accountability

The Board is audited by the Auditor General and is also subject to the Public Corporations (Financial Control) Act.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring, so major changes to the Board would only be possible through legislative intervention.

Recommendation

The Act must provide for a separate fund for the Authority.

Aside from the above, there seems to be no evident need to modify or alter the Act concerning agricultural modernisation.

TEA, RUBBER AND COCONUT ESTATES (CONTROL OF FRAGMENTATION) BOARD

This Board was established in 1958, and its scope was later extended by an amendment in 2005 to include coconut estates as well.

The objective

The main objective of the Board is to control the fragmentation of tea and rubber and coconut estates.

1. Legal Form

The Board does not have a separate legal persona. It is a mere administrative body, so it does not need one.

2. Political independence

The Board is predominantly made up of ex officio members, along with three representatives from the plantations. As decisions are made concerning cultivated lands, the aspect of political independence seldom arises.

3. Institutional Structure

The Board is expected to decide on applications submitted to it by owners of estates intending to sell or partition them. Thus, the Board acts as a decision-making body. The integrity of the decision is protected by following majority rule, disclosure of interests and the recording of proceedings.

5. Financial independence

The Board has a fund of its own, which receives annual contributions from the Coconut Development Authority, the Rubber Controller and the Tea Board as required by statute. The fund is to be utilized to meet the expenses of the Board.

6. Financial Accountability

The Board is subject to Audit by the Auditor General.

7. Recommendations

We do not recommend any changes to the statute.

NATIONAL AQUACULTURE DEVELOPMENT AUTHORITY OF SRI LANKA

Introduction

The NAQDA was established by Act No. 53 of 1998. It is the primary state-sponsored organisation mandated to develop the aquaculture and inland fisheries sector in Sri Lanka. The NAQDA was created from the Aquaculture Development Division of the Ministry of Fisheries and Aquatic Resources.

Objectives

- (a) to develop aquaculture, aquaculture operations, and culture-based fisheries in perennial and seasonal reservoirs, aiming to increase fish production and consumption in the country;
- (b) to encourage the creation of job opportunities through development of freshwater aquaculture, brackish water aquaculture, coastal aquaculture and mariculture
- (c) to encourage the cultivation of high-value fish species, including ornamental fish, for export.
- (d) to promote the optimal utilisation of aquatic resources through environmentally sustainable aquaculture programmes
- (e) to promote, facilitate, and enhance private sector investment in aquaculture across small, medium, and large-scale operations.
- (f) to manage, conserve, and develop, considering the necessity to preserve biodiversity, aquaculture, and aquatic resources used in aquaculture, as well as the operations of aquaculture and culture-based fisheries in perennial and seasonal reservoirs;
- (g) to assist individuals engaged in business as importers, exporters, sellers, distributors, and supplier of aquatic resources and engaged in aquaculture and the development of aquatic resources as an importer, exporter, supplier, distributor and seller of aquatic resources ;
- (h) to prepare and implement plans and programmes for managing, conserving, and developing aquaculture, aquaculture operations, and culture-based fisheries in perennial and seasonal reservoirs.

Powers of authority;

- 1) initiate and conduct research, perform resource surveys, and aid in investigating the potential for developing water and land resources for aquaculture.
- 2) undertake the gathering and distribution of information on aquatic resources and aquaculture
- 3) establish, maintain, and manage aquaculture centres for the promotion and development of aquaculture.
- 4) assist entrepreneurs engaged in aquaculture and aquatic resource development by providing technical, financial, or managerial assistance to inland fishermen and fish farmers.
- 5) acquire and hold, take or grant on lease, mortgage or hire, or sell or dispose of in any other manner, any movable or immovable property.
- 6) Levy and charge fees or any other charges for services rendered or facilities and equipment provided by the Authority.
- 7) enter into, perform, and carry out, whether directly or by any authorised officer or agent, or through a joint venture with any individual within or outside Sri Lanka, all contracts or agreements necessary to discharge the Authority's functions.

- 8) establish and regulate provident funds, schemes, or pension schemes to benefit the Authority's officers and staff, and contribute to any such funds or schemes.
- 9) establish any departments, divisions, and regional offices necessary to perform its functions effectively.
- 10) delegate to the Chairman, any Director, or any officer of the Authority such powers of the Authority as the Board deems necessary to delegate for the efficient discharge of its duties.
- 11) accept gifts, grants, donations, or subsidies, whether in cash or in kind, and utilise them to perform the functions of the Authority.
- 12) invest the monies of the Authority in such manner as may from time to time be determined by the Board
- 13) accept stocks, shares, debentures, or other securities from any company, society, or undertaking as payment, or part-payment, for any service rendered by the Authority to such entities, or for any sale made to or debt owed by any such company, society, or undertaking, by or to the Authority, that is likely to promote or advance the objectives of the Authority.

Legal Form

NAQDA is a corporate body. The drafters understood the need to give the previous Aqua Culture division a corporate personality.

Political Independence

The Authority is governed by a Board that comprises Five (5) members appointed by the Minister and Seven (7) ex officio members who are secretaries of ministries related to Aquaculture, such as Fisheries, Irrigation, Finance, Environment, and Agriculture, as well as a representative of NARA.

The membership of representatives of allied ministries also assists in collaboration where necessary.

Institutional Structure

This Act also features a Director General as its Chief executive officer. The government is free to recruit officers it considers suitable.

Financial Independence

The NAQDA like other many other institutions have been given its own fund. The fund is exempt from income tax and is exempt of stamp duty.

Financial Accountability

The Fund is subject to Audit and the supervision of COPA. Furthermore, the agency's employees are considered public services for the purposes of the Bribery Act.

Ability to evolve

NAQDA does not contain any liquidation or administration provisions, so, as previously, any restructuring would have to be conducted statutorily.

Recommendations.

The NAQDA's function is policy implementation. The statutory provisions in the Act appear to be sufficient for this objective.

NATIONAL AQUATIC RESOURCES RESEARCH AND DEVELOPMENT AGENCY (NARA)

Introduction

NARA was established in 1981 after the Department of Fisheries's research division was restructured and amalgamated with the Institute of Fish Technology.

Objectives of NARA

To operate as the principal national institution charged with the responsibility of carrying out and co-ordinating research, development management, and conservation activities on aquatic resources, hydrographic surveying, and nautical charting.

1. to ensure the application and utilisation of scientific and technological expertise in implementing the national development programme on aquatic resources.
2. to promote and carry out research activities aimed at identifying, assessing, managing, conserving, and developing aquatic resources, particularly in the following fields:
 - (i) oceanography and hydrography.
 - (ii) improvement and development of fishing craft, fishing gear and equipment, and fishing methods
 - (iii) the social and economic aspects of the fishing industry, including the welfare of fishermen and their dependents.
 - (iv) the processing, preservation and marketing of fish and aquatic products.
 - (v) the development, management and conservation of aquatic resources in the inland waters, coastal wetlands and offshore areas
3. to provide advisory and consultancy services on scientific, technological and legal matters relating to the exploitation, management, conservation and development of aquatic resources.
4. to coordinate the activities of institutions engaged in the exploitation, planning, research, development, conservation, control and management of aquatic resources.
5. to undertake the collection, dissemination and publication of information and data useful for managing, conserving and developing aquatic resources and the fishing industry in Sri Lanka.
6. to undertake the collection, processing, and publication of hydrographic data and nautical information for the near shore, offshore areas, and inland waters, while maintaining overall control of such activities in Sri Lanka.
7. to provide training for persons required to carry out or assist in the work of the Agency; and

Legal Form

The agency is a corporate entity that emerged from the government's earlier restructuring effort. This demonstrates that research entities are more effectively maintained as independent bodies rather than as divisions within a department.

Political Independence

The Agency is governed by a Board consisting of eight (8) members appointed by the Minister and eight (8) ex officio members who are secretaries of ministries related to aquatic research, such as Fisheries, Ports, Finance, Scientific Affairs, as well as representatives from the Surveyor General's office and the Navy.

As the objectives of the entity are entirely research-based, the level of political independence is a low priority. In fact, securing finance (which is essential) may benefit from a strong relationship with the ministry and the treasury.

The membership of representatives of allied ministries also assists in collaboration where necessary.

Institutional Structure

While the Board oversees the agency's governance, research matters are vested in the scientific and technical committee, which is a standing committee.

This committee is tasked with advising the Board on scientific matters and policy. However, its composition undermines this objective by including several board members within the committee. The committee also includes representatives from the Ministry. These representatives believe that the scientific committee should comprise entirely of individuals with a relevant scientific background, as well as the Director General. Representatives from the Industry could be part of the Agency's board.

Financial Independence

The Agency is mostly dependent on government assistance and grants. It must be mandated to aggressively seek foreign funding for its research and to find ways to monetize it.

The Agency, like other research institutions, has been allocated its own fund. This fund is exempt from income tax and benefits from a duty exemption on fisheries exports.

Financial Accountability

The Fund is subject to audit and the supervision of COPA. Furthermore, the agency's employees are regarded as public servants for the purposes of the Bribery Act.

The Director general is also required to maintain a register of inventions and other discoveries made by the Agency, and employees are prohibited from taking on external work without the agency's consent.

However, there is no legal obligation of secrecy, and the Act noticeably lacks provisions that protect the agency's intellectual property.

Ability to evolve

The NARA Act does not contain any liquidation or administration provisions, so, as previously, any restructuring would have to be conducted statutorily.

Recommendations.

The Constitution of the Board may be supplemented with representatives of the industry. However, the Board is currently quite large.

The scientific Committee must be limited members of the scientific disciplines to ensure that their policy recommendations to the Board are devoid of other immaterial considerations.

The Act should facilitate the pursuit of foreign funding and collaboration.

The Act must include provisions to secure and monetize the IP of the Agency and require an obligation of secrecy on all members and employees of the Agency.

CEYLON INSTITUTE OF SCIENTIFIC AND INDUSTRIAL RESEARCH (ITI)

This was established by Act No. 15 of 1955 and has since undergone several amendments.

Objectives of the Institute

(a) to carry out testing, investigation, and research in a manner deemed advisable by the Institute, with the aim of enhancing the technical processes and methods employed in industry, discovering processes and methods that may facilitate the expansion of existing industries, the development of new industries, or the more effective utilisation of waste products.

(b) to provide guidance on inquiries related to scientific and technological issues that influence the utilisation of Sri Lanka's natural resources, the advancement of its industries, and the effective coordination and application of scientific research for these purposes.

(c) to engage in or collaborate on the surveying and monitoring of environmental pollution, with the goal of formulating remedial measures to mitigate or eradicate such pollution.

(d) to engage in technology transfer activities and provide services related to technology transfer to the Government or other institutions in Sri Lanka.

(f) to promote the formation of associations for individuals involved in industries aimed at conducting scientific and industrial research.

(g) to engage in or collaborate on the preparation, publication, and dissemination of valuable technical information.

(h) to collaborate with government departments, universities, technical colleges, and other organisations to promote scientific and industrial research, as well as to train researchers in pure and applied science, along with technical experts, craftsmen, and artisans; and

(i) to further the advancement of scientific and industrial research and technical training.

Powers of the Institute

(a) Body Corporate and the power to enter contracts.

(b) to acquire and hold any movable or immovable property and to dispose of any such property.

(c) to impose and recover charges for its services.

- (d) to apply for purchase, receive by assignment or otherwise acquire, in accordance with the laws of Sri Lanka or any other country, any patents, brevets d' invention, concessions, licenses and the like conferring exclusive or non-exclusive or limited rights to use, or any information as to, any invention or discovery; and to develop, use, exercise, assign, transfer, sell, grant licenses in respect of, or otherwise turn to account the property, rights, and information so acquired; and
- (e) to perform all such acts may be necessary for, or incidental to, the carrying out and performance of its objects and duties:
- (f) it shall be the duty of the Institute, as far as its competency and finances permit-
 - (a) to conduct and render research and technical services for the benefit of-
 - (i) the Government or any department or agency thereof, or
 - (ii) any public authority, or
 - (iii) any industry which is to be carried on in Sri Lanka; and
- (g) to take all such measures as may be necessary for the fulfillment of its objects.

Analysis

Legal form

This is a corporate body with the power to enter into contracts. Given the aforesaid objectives, this separate legal existence is essential.

Level of political independence

The Institute is governed by a board that comprises nominees of the Minister and ex officio members. This would normally be viewed as stifling independence. However, as the institute does not have commercial objectives, this reliance on the minister/state may not be entirely negative. The appointing procedure does lend itself to abuse, with the possibility of persons not entirely suitable for the office being nominated. On the other hand, the Act requires the Board to act according to the directions of the Minister.

Institutional structure

The structure of the Board leaves room for individuals representing the industry to be appointed. Additionally, there is scope for lenders to be represented. This may lend itself to financial discipline, as the practice also consists of a Research Planning Council composed of academics who perform an advisory function.

The Institute is also able to employ its officers, with the additional option of having public officers on secondment. This offers the opportunity for the Institute to have a skilled workforce.

Scope for financial independence

The Act allows for a degree of financial independence, as it seems capable of sustaining its own account. However, due to insufficient income, it would still rely heavily on government funding, which requires parliamentary approval.

The Act also provides exemptions from certain taxes and duties concerning imports, which may offer a significant advantage to the institute.

Financial accountability

The Institute is subject to an audit by the Auditor General. As mentioned earlier, there will be additional oversight with the representation of lenders in the board.

Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring, so major changes to the institute would only be possible through legislative intervention.

Recommendation

The Institute, which has a strong research component, would require a substantial budget. If evidence demonstrates that this is not regularly received, it would be necessary to make the Institute accessible to private funding. Such funding would require more independence and direct oversight by donors. It would also require the sharing of IP with such donors. As such, it is recommended that the Act be amended to facilitate more donor participation in its functioning.

SRI LANKA STANDARDS INSTITUTION

This is another statutory body established by Act No. 6 of 1984. Although it is not exclusively involved in the agricultural sector, some of its functions have a direct bearing and have potential for modernising agriculture in the country.

Objects of the institution

- (a) to prepare standards on a national and international basis relating to structures, commodities, products, materials, practices, and operations, and to revise, alter, and amend them, thereby encouraging the widespread adoption of these standards.
- (b) to encourage standardisation and quality control in industry and commerce.
- (c) to establish and maintain laboratories, libraries, and to provide relevant facilities for the purpose of advancing the practice of standardisation and quality control.
- (d) to make arrangements or provide facilities for the examination and testing of products, commodities, and materials, including locally manufactured or imported food and drugs, to determine whether they comply with the Code of Intellectual Property Act, No. 52 of 1979, or any other written law concerning standards of quality or otherwise, as well as to examine the processes and practices used in the manufacture of locally produced products, commodities, and materials;
- (e) to arrange or provide facilities for the testing and calibration of precision instruments, gauges, and scientific apparatus, as well as to issue certificates related to these in order to comply with the required standards.
- (f) to provide or organise facilities for conducting research related to standardisation and quality control;
- (g) to administer a certification marks scheme in accordance with the relevant provisions of this Act;

(h) to certify the quality of commodities, materials, produce, products, and other items, whether for local consumption or export.

(i) to encourage and promote standardisation and quality control through educational, consultancy, and other methods

(j) to facilitate cooperation with any person, association, or organisation outside Sri Lanka that has objectives similar to those for which the Institution is established.

(k) to co-ordinate the efforts of producers and consumers to enhance commodities, materials, products, appliances, processes, and methods.

Powers of the organization

(a) to acquire in any manner whatsoever, and to hold, take, or give on lease or hire; mortgage, pledge, sell, or otherwise dispose of any movable or immovable property.

(b) to apply for, purchase, receive by assignment, or otherwise acquire, in accordance with the laws currently applicable, any patents, inventions, concessions, licences, and similar rights that confer exclusive, non-exclusive, or limited rights to use information regarding any invention or discovery, as well as to develop, use, exercise, assign, transfer, sell, or grant licences in respect of, or otherwise exploit, the property, rights, and information so acquired;

(c) to undertake to execute any trusts, or any agency business which may seem to the Institution conducive to the attainment of its objects

(d) with the owners' permission to utilise the services of laboratories beyond those maintained by the Institution and to approve such laboratories for the Institution's purposes.

(e) to invest any funds of the Institution not immediately required for any of its purposes in such manner as may, from time to time, be determined by the Council.

(f) to charge such fees for any services rendered, as may be determined by the Council; and

(g) to carry out all necessary actions for, or related to, achieving the purposes of the Institution, or essential for or connected to the execution of any functions or the exercise of any powers of the Institution, or which are intended, either directly or indirectly, to increase the value of, or make profitable, any of the Institution's property or rights.

Analysis

1. Legal form

This is a corporate body with the power to enter into contracts. Given its regulatory character, we consider its separate legal existence essential.

2. Level of political independence

The Institute is governed by a Council, which comprises members appointed by the Minister. The institute has extensive regulatory objectives, and as such, the minister's powers to nominate members to the board may not be entirely unhelpful. However, the appointing procedure does lend itself to abuse, with the possibility of persons not entirely suitable for the office being nominated.

3. Institutional structure

The functions and powers of the Institute are executed by the Council, which appoints individuals with various expertise and makes decisions that take multiple perspectives into account. However, there is no specific provision for the agricultural sector to be represented on the Council.

The Institute is also able to employ its officers, with the additional option of having public officers on secondment. This offers the opportunity for the university to have a skilled workforce.

4. Scope for financial independence

The Act permits a degree of financial independence, as it has been allowed to maintain its own account and all income can be drawn from that account. However, it is mostly dependent on government funding.

The Act also offers exemptions from certain taxes and duties in respect of imports, which may offer a significant advantage to the institute.

5. Financial accountability

The Board is subject to audit by the Auditor General.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring, so major changes to the Board would only be possible through legislative intervention.

Recommendation

The current statute seems to fulfil the country's requirements, and there is no evident need to modify or amend the Act in terms of agricultural modernisation.

EXPORT DEVELOPMENT BOARD

Introduction

The EDB was established in 1979 under Act No. 40 of 1979, with the aim of creating a single entity responsible for the development of exports.

The stated objectives of the EDB are wide and varied.

(a) to advise the Export Development Council of Ministers on the national export development policy and programmes.

(b) to provide guidance to the Export Development Council of Ministers on policies and measures pertaining to export-oriented investment.

(c) to propose adopting trade agreements or negotiating international commercial policies, financial arrangements, and other related contracts that will enhance the development of exports from Sri Lanka.

- (d) to formulate a national export development plan and programme for the Export Development Council of Ministers' approval
- (e) to oversee the execution of the national export plan and programme, and to actively support its implementation.
- (f) to facilitate the development of export product supplies.
- (g) to administer the Export Development Fund and implement all programmes of assistance for export production and marketing in close cooperation with the various agencies of the Government and trade and industry;
- (h) to act as a central hub within the Government where exporters can raise all export-related issues.
- (i) to carry out export potential surveys related to Sri Lanka products,
- (j) to promote the export of professional and consultancy services from Sri Lanka to generate foreign exchange.
- (k) to promote and support trading houses, engineering and development projects, and other overseas activities that will enhance Sri Lanka's foreign exchange earnings.
- (l) Conduct feasibility studies on export-oriented projects and undertake special projects for export development on a pilot basis.
- (m) to promote and support the establishment of joint export groups, export houses, and other organisations.
- (n) to direct and coordinate the market development activities of trade representatives and agents abroad for Sri Lanka.
- (o) to serve as the implementing agency for technical cooperation in the area of export development with organisations and entities beyond Sri Lanka.
- (p) subject to the limits and procedures established by the Minister,
 - (i) to acquire shares, stocks, or any other interest in any business enterprise incorporated in Sri Lanka or overseas that is currently operating or intends to operate in Sri Lanka or abroad,
 - (ii) to provide loans to any individual or organisation in Sri Lanka or overseas for the purpose of trade development.
- (q) without prejudice to the generality of the powers conferred upon the Board by this Act, to carry out or provide general export services for all exporters, such as -
 - (i) share information of current interest to producers and traders,
 - (ii) marketing research in international markets,
 - (iii) assistance in developing new products and adapting existing ones for export markets,
 - (iv) assistance in the initial stages of marketing a new product or entry into a new market, including test marketing exercises,
 - (v) Organising buyer-seller meetings in Colombo and abroad.
 - (vi) export consultancy services,

- (vii) assistance in participation in trade displays, trade fairs and other forms of trade promotion,
- (viii) training courses in trade promotion and export marketing,
- (ix) assistance in resolving the problems encountered by individual producers of exports or exporters,
- (x) assistance in quality control standards, packaging, export credit and insurance,
- (xi) assistance in import and export procedures and documentation
- (s) to acquire and retain any movable or immovable property, or to dispose of any movable or immovable property that has been acquired or held by it
- (t) to levy fees or other charges for services or facilities provided by the Board
- (u) to accept gifts, grants, donations or subsidies from both local and foreign sources, whether in cash or in kind, and to utilise them for achieving any of the Board's objectives.
- (v) to recommend to the Minister, when there is no provision in any current law and the Board believes it is advisable to do so, the establishment of regulations under this Act concerning the following matters
 - (i) the regulation of the sale and export of products, including the arrangements and payments related to shipping, freight, brokerage, warehousing, or any other charges incurred in the sale of products abroad
 - (ii) the regulation of the insurance, credit, quality control, standardization, packaging and internal transport of export products
 - (iii) the regulation of the establishment and activities of joint export groups, export houses, and other organizations engaged in exports; and

Analysis

1. Legal form

This is a body corporate with the authority to enter into contracts, hold property, make borrowings, lend, and invest in securities.

2. Level of political independence

The EDB is established as a body subordinate to the Export Development Council of Ministers, which is led by the President. Consequently, the EDB is accountable to this Council.

The EDB comprises 18 members, 6 of whom are appointed by the Minister at his discretion, and the remainder are appointed by the Ministers of various Ministries out of their cadre of additional secretaries.

Thus, the EDB can be described as an entity with a high degree of political power, providing it with the capacity to formulate and implement government policies. Given this mandate, it may be said that political independence would perhaps be inimical to its stated interests.

3. Institutional structure

As stated above, the EDB comprises 18 members who can also advise the Minister to appoint advisory committees to focus on the development and promotion of specific products, product groups, and commodities, as well as the functional aspects of export trade.

The structure of the EDB attempts to congruence multiple ministries relevant to exports in Sri Lanka and act on input from diverse perspectives. Importantly, once the board makes a decision, the ministries represented on the Board are bound by it and, therefore, responsible for its implementation.

The EDB is able to employ its officers with the added option of having public officers on secondment.

4. Scope for financial independence

The Act permits a degree of financial independence as it specifically requires the EDB to maintain its own fund known as the Export Development Fund. The EDB is also entitled to receive the fee from any cess that is levied on exports. The Act also suggests that the EDB will be state funded, although it is free to supplement its funds from other sources.

5. Financial accountability

The EDB is subject to audit by the Auditor General. The Board also falls within the purview of the Bribery Act and is also subject to the penal code.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring, so major changes to the EDB would only be possible through legislative intervention.

Recommendation

Having considered the scheme of the Act, the objectives of the EDB, and the powers granted to it, we are of the view that no major amendments are required. What is required is the full utilisation of the powers granted.

THE PADDY MARKETING BOARD

The Paddy Marketing Board was created by an Act in 1971 with the following main objectives.

- (a) to carry on the business of purchasing, selling, supplying and distributing paddy and rice
- (b) to carry on the business of milling, hulling and processing of paddy and rice

The design of the Act aligns with the state-controlled economic model that prevailed during the period and envisions extensive powers conferred upon the board to exercise a virtual monopoly. The powers granted by the Act are set out as follows.

- (a) by the Minister for the purchase, sale, supply, distribution, transport, hulling, milling or processing of paddy and rice
- (b) to grant loans and advances to authorised purchasers and agents

- (c) to import plant, machinery and equipment required for the business of the Board
- (d) to establish and maintain purchasing stations and storage facilities for paddy and rice
- (e) to operate shops for the display, sale, supply, and distribution of rice, paddy, and their by-products
- (f) to enter and inspect any stores or other premises of an authorised purchaser or licensee, as well as any location where an individual is conducting the business of hulling, milling, or processing paddy or rice, including any stores maintained by that individual for business purposes.
- (g) to carry out investigations and record data concerning production, sale, supply, storage, purchase, distribution, hulling, milling or processing of paddy and rice
- (h) to conduct, assist and encourage research into all aspects of the rice processing industry, and the use of by products
- (i) The Board to may fix guaranteed price for a variety of paddy or different grades of such variety
- (j) exercise the exclusive right of purchase, sale, supply, distribution, hulling, milling or processing of paddy and rice
- (k) to enter into joint schemes with any Government Department or anybody approved
- (l) Termination of licenses for hulling or milling paddy given to any person
- (m) Control over the hulling, milling, or processing of paddy and rice through the issuance of licences to selected individuals.
- (n) Issue licences to establish, install or maintain any plant, machinery, equipment, or facilities for the sale, supply, transport, distribution, hulling, milling, or processing of paddy and rice.
- (o) to acquire, hold, lease, hire, mortgage, sell, or otherwise dispose of any movable or immovable property
- (p) borrow, via overdraft or otherwise, or negotiate and obtain on credit terms, such amounts as the Board may require
- (q) The Board may invest funds that are not immediately needed for its business purposes.

The present mission of the Board appears to be more market oriented and envisages a limited role within the market as opposed to a monopolistic one.

Its mission statement reads as follows.

To Effect an Implementing Mechanism and Provide Related Services for Purchasing, Processing, Storing, and Marketing of Paddy and Rice through a Committed Staff equipped with Knowledge and Skills to the Satisfaction of both the Producer and the Consumer

In light of this new direction taken by the Board, it appears that many of the powers conferred by the Act remain underutilised or indeed almost redundant. Therefore, it would be necessary to ascertain the relevance and utility of the Board in today's context.

NATIONAL FOOD PROMOTION BOARD

Introduction

The National Food Promotion Board (NFPB—formerly the Sri Lanka National Freedom from Hunger Campaign Board) is a statutory body under the Ministry of Agriculture. It was constituted by Act No. 15 of 1973 under the auspices of the United Nations Food and Agriculture Organization (UN FAO).

The Objectives

- (i) to secure the aid of nongovernmental agencies, both foreign and local, for social and economic development in accordance with the programme of development formulated by the Government.
- (ii) to assist institutions and other bodies in carrying out schemes for public utility, social welfare, and economic development.
- (iii) to assist, foster, and coordinate specific projects aimed at agricultural and industrial development.
- (iv) to stimulate non-governmental agencies in the implementation of projects for increasing agricultural and industrial production.
- (v) to collaborate with the International Freedom from Hunger Campaign and other comparable institutions, associations, or societies overseas.

The Powers of the Board

- (a) to receive aid and donations in cash, equipment or in any other form from non-governmental sources.
- (b) disburse aid and donations on such terms and conditions as the Board may deem necessary.
- (c) to review and co-ordinate the activities of non-governmental agencies receiving assistance in cash, goods or services from foreign sources.
- (d) to call for reports on the activities of non-governmental organizations receiving aid in cash, goods or services from non-governmental sources for the purposes specified in section 3.
- (e) to negotiate with both foreign and local non-governmental organisations for the granting of aid for approved projects.
- (f) to sell, or otherwise dispose of, commodities received by way of aid from non-governmental sources.
- (g) to purchase, hold, take on lease, rent, hire or mortgage any movable or immovable property
- (h) to negotiate and enter into contracts or agreements and to vary or rescind such contracts or agreements.
- (i) to sell, manage, transfer, exchange, mortgage, lease, hire or otherwise dispose of any movable or immovable property.
- (j) to impose and recover charges for the services rendered by the Board

(k) to recover, in appropriate cases, the rupee value of aid or donations whether in cash, commodities or equipment received from foreign non-governmental sources and channeled to local recipients, from such recipients.

(l) to establish and maintain information and educational services.

(m) to draw, make, accept, endorse, and discount cheques, notes or other negotiable instruments for the Board.

(n) to cover all costs related to the establishment of the Board as well as its management and administration.

(o) to do all such other things as the Board may think it necessary, incidental or conducive to the attainment of its objects.

Analysis

1. Legal form

This is a corporate body with the power to enter contracts.

2. Level of political independence

The Board is composed of members, three appointed by the Minister, along with six nominated from the Ministries of Planning, Agriculture, Plantation Industries, Home Affairs, and Irrigation. Given the state-centric role of the Board, this level of bureaucracy should not be regarded unfavourably.

3. Institutional structure

The Board is obliged to make decisions collectively, based on the principle of majority rule.

It is required to draw mustservice for its staff and may also appoint other ps.

4. Scope for financial independence

The Act allows for a certain level of financial independence, as it has been granted permission to maintain its own account, from which all income can be withdrawn.

5. Financial accountability

The Institute is subject to audit by the Auditor General.

6. Ability to structurally evolve

The Act does not contain provisions for non-statutory restructuring, so major changes to the Board would only be possible through legislative intervention.

Recommendation

None

NATIONAL FERTILIZER SECRETARIAT

Introduction

The National Fertilizer Secretariat was established under Fertilizer Regularization Act No 68 of 1988. This regulatory act contains few provisions regarding the establishment, structure, and objectives of the Secretariat.

Legal Form

The Act does not confer a distinct legal personality upon the secretariat. Consequently, the secretariat must operate through its director.

Institutional structure

The Secretariat comprises a director and public servants serving under him. The Minister is required to appoint a Fertilizer Advisory Committee to advise the Secretariat on the administration of the Act. However, the Act fails to set out any details as to the manner of appointment, qualifications, manner of removal, etc., as found in other Acts.

Political Independence

The secretariat and Advisory committee appear to be appointed at the discretion of the Minister, so very little independence can be expected. This is less than welcome, given that the Director has certain powers to prosecute offenders under the Act.

Financial Independence

The Secretariat is entirely reliant on the funds appropriated at the budget allocations of the Government.

Accountability

The Secretariat would be subject to the Establishments Code, Financial regulations of the Government and would be subject to audit as part of the Audit of its parent Ministry.

Ability to evolve

Does not arise as it is part of the Ministry and not a separate entity.

Recommendations

It is recommended that given the extensive regulatory role of the Secretariat, a special entity be created, with well-defined provisions as to appointments, audit, accountability along the lines of other regulatory bodies such as the Consumer Affairs Authority.

INSTITUTES CREATED BY THE STATE AGRICULTURAL CORPORATIONS ACT

THE NATIONAL LIVESTOCK DEVELOPMENT BOARD (NLDB)

The National Livestock Development Board (NLDB) was established in 1973 under the State Agricultural Corporations Act No.11 of 1972. The NLDB currently manages 30 integrated livestock and crop farms, including coconut plantations. The Board also has a training center that imparts practical and theoretical knowledge to farmers.

Objectives

- (a) To manage a self-sustaining network of Livestock and Crop Integrated Farms across various Agro-Ecological Zones with a content workforce,
- (b) To develop livestock activities within a reasonable timeframe to ensure the continual supply of breeding animals to farmers, thereby making the country self-sufficient in livestock and dairy products.
- (c) To develop Livestock and Agricultural Products with new Technology to increase the output and profitability of the Organization.
- (d) To cultivate Cash Crops in Selected Farms to support the Cash Crop production programme in the Country.
- (e) To achieve optimum productivity levels in Livestock and Agricultural Sectors.
- (f) To obtain maximum productivity from Livestock and Crop Integrated Farming Systems and follow Eco – Friendly Cultivation Practices.

THE HADABIMA AUTHORITY OF SRI LANKA (HASL)

The Authority was established in 1978 as the National Agricultural Crop Diversification and Settlement Authority under the State Agricultural Corporation Act No. 11 of 1978. Its official name was amended to Sri Lanka Settlement Development Central Agency by Extraordinary Gazette Notification No. 15 of 687 in 1991, and the project area was expanded to include the Kandy, Kegalle, Matale, Nuwara Eliya, Ratnapura, and Badulla Districts. Ultimately, the name was changed to Hadabima Authority in 1991.

The Objectives

1. Agricultural diversification, settlement development, and preparation of plans for fully connected watershed management, coordinating and implementing those plans by the

Corporation, government, or Non-government agencies in areas determined by the Minister from time to time.

2. The management of all lands alienated or vested in the corporation focuses on maximising yield, protecting the environment, conserving land and water resources, and developing settlements with the aim of establishment.
3. Produce process and the sale of agricultural produce.
4. Supply of equipment and machinery, maintain and operate them in agricultural diversification and settlement development.

SPICES AND ALLIED PRODUCTS MARKETING BOARD

The Spices and Allied Products Marketing Board was established by the Cabinet Memorandum no.20/1590/326/014 dated 10 November 2020 under the State Agricultural Cooperation Act No 11 of 1972.

CASHEW CORPORATION

The Sri Lanka Cashew Corporation (SLCC) was established under the extraordinary Gazette notification no. 60/7 dated 25th May 1973, in accordance with the State Agricultural Corporation Act No. 11 of 1972. Since its establishment as a public enterprise, the SLCC has provided services to the cashew industry while also engaging in commercial activities.

NATIONAL INSTITUTE OF POST HARVEST MANAGEMENT (NIPHM)

The NIPHM was established on 19 June 2000 by the Extraordinary Gazette of the Democratic Socialist Republic of Sri Lanka No. 1137/10 under the Provisions of the State Agricultural Corporations Act No. 11 of 1972, for the purpose of carrying out post-harvest research and development activities pertaining to paddy/rice, other cereals, legumes, oilseeds, other field crops, fruits, vegetables, and spice crops, as well as providing self-employment for the rural sector.

Objectives

- (a) Technology development and adoption for minimization of postharvest losses in perishables and durables (15 fruit crops, 10 vegetable crops, paddy and 10 other field crops).
- (b) Standardization and improvement of quality and safety food (10 fruit crops and 10 vegetable crops).
- (c) Developing a knowledge hub for postharvest research and developments within the SAARC region.

- (d) Development of post-harvest technologies necessary for agro-based industries
- (e) Development of educational/training programs for people to adopt postharvest loss reduction technologies
- (f) Deliver accredited laboratory services to wide range of clients
- (g) Becoming excellence in postharvest consultancy services in the country
- (h) Creating a satisfying/promising career pathway for all employees and maintaining it throughout the future
- (i) Improving administrative procedures to improve the efficiency of institutional programs and activities

Analysis of the State Agricultural Corporations Act

Introduction

Among the numerous entities in the agricultural sector and related fields, many were created under the provisions of the State Agricultural Corporations Act No. 11 of 1972. These include the Cashew Corporation, the Ceylon Fisheries Corporation, the Hadabima Authority, the National Institute of Post-Harvest Management (NIPHM), the National Livestock Development Board, and the Spices and Allied Products Marketing Board. Since they are subject to the same law, it is convenient to analyse their functions and powers collectively.

The initial step in creating an entity begins with the Minister gazetting an order that establishes the entity. After reviewing the orders issued thus far, it is evident that they are almost always very sparse, outlining only the bare minimum required by the Act, namely, the primary objective, the name, the principal place of business, the initial directors and chairman, and the initial capital.

The Form

These corporations have extensive powers that almost rival those of a company. However, several important differences exist. Firstly, no shares are issued to the treasury for the capital invested. If this were the case, the sale of the shares could serve as a convenient vehicle for the state to exist when it deems necessary. Additionally, it does not possess the power to create subsidiaries or associated corporations when its business requires a separate entity. Creating another corporation would be the only solution, but it would not fulfil the intended purpose of establishing a close nexus between the entities.

Political Independence

Where a corporation has commercial ambitions, its decision-making must be made exclusively on commercial grounds. Political considerations cannot interfere. However, the minister appoints the directors of the Corporation, and the Minister retains the right to remove or renew their appointments. Additionally, the Minister has the power to issue directions to the Corporation.

The Structure

The Corporation is governed by a Board, and its daily operations are carried out by staff who may be recruited from the public service or obtained on secondment.

Financial Independence

The Act envisages Corporations as self-sufficient and self-financing except for the initial capital provided by the state. However, this has rarely happened, with almost all corporations seeking handouts from the government on an annual basis.

Financial accountability

The drafters of the Act prioritized financial accountability and, therefore, drafted another Act for this purpose. This was named the Public Corporations (Control of Finance) Act, and it contains extensive provisions regarding accountability. Corporations were required to maintain accounts and were subject to Audit and the COPA. Most interestingly, the Act required the Board of Directors to ensure that the Corporation operated as a going concern.

Ability to evolve

The Act and the Public Corporations (Control of Finance) Act contain provisions to liquidate corporations when deemed necessary by the Minister. This is a notable provision missing in many other specially drafted acts. However, it lacks any provision allowing for the conversion of the corporation into a company. This would have enabled these corporations to operate commercially once they matured sufficiently.

Recommendations

Amend the Act to permit the Minister to convert the Corporations into companies under the Companies Act wholly controlled by the treasury.

ENTITIES CREATED UNDER THE STATE INDUSTRIAL CORPORATIONS ACT. NO.49 OF 1957

THE CEYLON FISHERIES CORPORATION

The Ceylon Fisheries Corporation was established in 1964 under the State Industrial Corporations Act No. 49 of 1957 and commenced its commercial operations in 1965.

- (a) At the outset, the Corporation should directly, or through authorised agents, engage in fish production using trawlers for deep-sea fishing operations.
- (b) The Corporation should directly or through authorised agents engage in fish processing (canning, drying, and other processing) and the production of fish b products.
- (c) The Corporation should directly or through authorized agents distribute and sell fish on a wholesale and retail basis.
- (d) The construction and maintenance of fishery harbours, anchorages inclusive of cold storage rooms.
- (e) Import and sales of fishing gear and necessary equipment to the fisheries industry.
- (f) The Corporation should act for and on behalf of the Department of Fisheries or any other Government Department for development of the fishing industry.
- (g) The construction of boats and small ships for the fisheries industry.
- (h) To provide facilities for the repairs and maintenance of fishing boats.
- (i) Manufacture and sale of fisheries equipment.

THE CEYLON FISHERY HARBOURS CORPORATION (CFHC)

The Ceylon Fishery Harbours Corporation (CFHC) was established in 1972 by virtue of the gazette notification published in extraordinary gazette No. 14,996/18 dated 11th February 1972 under section (1) of section (2) of the State Industrial Corporation Act No. 49 of 1957 and is primarily responsible for providing fishery harbour-related services and ensuring that the fishing community has the necessary infrastructure and facilities.

Objectives

- a) The Planning, designing and construction of fishery harbours, anchorages, marine structures and other shore facilities,
- b) The establishment, operation, control and maintenance of Fishery Harbours, anchorages, marine structures and other shore facilities.
- c) The management of fishery harbours, anchorages, and other shore facilities.
- d) The Provision of repairs and maintenance facilities for fishing crafts.
- e) The establishment, operation, and maintenance of cold rooms, ice plants, and other refrigeration facilities.

- f) The Supply of water, fuel, lubricants, electricity, ice, cold room facilities and any other services is incidental for the fishery industry and fishermen.
- g) The provision of security to fishery harbours, anchorages, marine structures and other organizations within the Ministry of fisheries an Aquatic resource, and to recover charges, fees and any other payments on account of it;
- h) The monitoring, control, and surveillance of Sri Lanka's Exclusive Economic Zone (EEZ)
- i) The imposition and recovery of harbour dues, such as port dues, light dues, dockage, tonnage and unloading fees, and other charges, fees, and boat license fees for the facilities, services, and supplies provided to fishing crafts, fishermen, and any other persons in the corporation's fishery harbours and anchorages.

Analysis of the State Industrial Corporations Act

Introduction

The entities that are the subject of this study were established under the State Industrial Corporation Act No 49 of 1957. This Act seems to have inspired the State Agricultural Corporations Act and thus includes nearly identical provisions. Therefore, many of the observations made regarding the Agricultural Corporations Act are equally applicable here and will not be reiterated for the sake of brevity.

Recommendations

A salient provision in the Act is the power given to the Minister to make provisions of the Companies Act applicable to Corporations created under the Act. It is recommended that the provisions relating to Directors' Duties as found in the Companies Act be made applicable.

It is also recommended that the Act be amended to permit the Minister to convert the Corporations into companies wholly controlled by the treasury under the Companies Act.

OTHER GOVERNMENT DEPARTMENTS

Our study also considered the functions of several government departments, with the Department of Agriculture being by far the most important and discussed in detail above.

1. Department of Agrarian Development
2. Department of Food Commissioner
3. Department of Fisheries and Aquatic Resources (DFAR)
4. Department of Valuation
5. Irrigation Department
6. Department of Commerce

Statute has created some Departments, whilst others have been created by cabinet decision followed by a resolution in parliament. Others yet have their powers defined by the Act.

Legal form

They do not possess a separate legal personality. The powers to be exercised by the Departments are defined in the statute where available. In other cases their remit is defined by the Minister.

This also contributes to these institutions' inability to enter into contracts, partnerships, or similar arrangements with private or other public sector entities to achieve their objectives unless such arrangements are made through a public officer.

Acquisition of Property

Due to the absence of a legal form, these units are unable to acquire property independently and are thus reliant on the Ministry to procure property for their use.

Staff

The staff are members of the Sri Lanka Administrative Service (SLAS) and are therefore subject to the provisions of the Establishments Code, financial regulations, financial guidelines, and circulars issued by the Ministry of Finance, the National Audit Act, and other relevant legislation.

Unlike statutory bodies, which statutorily require stakeholders to be appointed as decision-makers, these units are exclusively composed of public servants, leaving little room for meaningful engagement and input from stakeholders.

Financial Independence

The units are subject to the overall budgetary limits set by the Ministry and are unable to procure funds on an independent basis. They are also subject to the supervision of the Secretary to the Ministry in respect of accounting and audit.

They are also unable to access any income generated because of the prohibition outlined in financial regulations.

5. Financial Viability of the Agriculture Sector

The financial viability of the agriculture and plantation sectors in Sri Lanka is closely tied to the institutional framework supporting these industries. Based on the survey and the meetings with the institutions, it was observed that the financial viability of the agriculture sector faces several macro challenges as well as opportunities as noted below:

Input costs: The cost of agricultural inputs such as fertilizers, seeds, and machinery impacts agriculture's profitability. Fluctuations in global commodity prices and currency exchange rates also affect this.

Market access and prices: Farmers require access to fair and transparent markets. Challenges including price volatility, middlemen margins, and insufficient market infrastructure can impact profitability.

Climate change and natural disasters: Sri Lanka is particularly susceptible to the impacts of climate change, including unpredictable weather patterns, droughts, floods, and pest outbreaks. These factors can result in crop losses and elevated production costs.

Land fragmentation and tenure issues: Fragmented land holdings along with ambiguous land tenure systems can obstruct economies of scale and deter investment in modern farming practices.

Technological adoption: Limited access to modern agricultural technologies and practices can affect productivity and efficiency.

Public sector dominance: The cost of maintaining an existing set of organizations/institutions is also a challenge, as a significant government budgetary allocation is required for that.

Despite these challenges, Sri Lanka's agriculture sector also presents opportunities, including growing demand for domestic and international markets for various crops, crops grown organically, specialty crops and their value-added products, and the opportunity for agrotourism. Meanwhile, increasing consumer awareness of food safety and quality is also observed. When considering the agricultural value chain, it is essential to ensure Public-Private Partnerships (PPPs) to optimise financial and other resources.

Table 6. 1 Macro analysis of the Agriculture & Plantation Sector

Gross Domestic Products (Constant Price)	FY 2021/22	FY 2022/23	FY 2023/24 '€
National GDP	12,161,201	11,881,736	12,383,100
Agriculture, Forestry & Fishing	910,842	934,248	951,112
Sectorial Contribution	7.5%	7.9%	7.7%
YoY Growth	-4.2%	2.6%	1.8%
			Lkr Mn
National Budget	FY 2021/22	FY 2022/23	FY 2023/24 '€
-Capital Expenditure	1,014,293	1,220,229	1,709,775
-Recurrent Expenditure	3,539,237	4,633,830	5,298,669
Total Budgetary Expenditure	4,553,530	5,854,059	7,008,444
			Lkr Mn
Ministry of Agriculture & Plantation Industries	FY 2021/22	FY 2022/23	FY 2023/24 '€
-Capital Expenditure	31,408	38,583	46,552
-Sectorial Share of National CAPEX Budget	3.1%	3.2%	2.7%
-Recurrent Expenditure	82,532	82,677	66,039
-Sectorial Share of National OPEX Budget	2.3%	1.8%	1.2%
Total Budgetary allocation	113,940	121,260	112,591
-Sectorial Share of National Budget	2.5%	2.1%	1.6%
Share of Sectorial Budget From the GDP	12.5%	13.0%	11.8%

Key Observations

- The agriculture sector's contribution to GDP remains stable, but growth momentum is slowing (1.8% in FY 2023/24).
- Government spending is growing substantially, particularly in capital expenditure at a faster pace than recurrent expenditure.

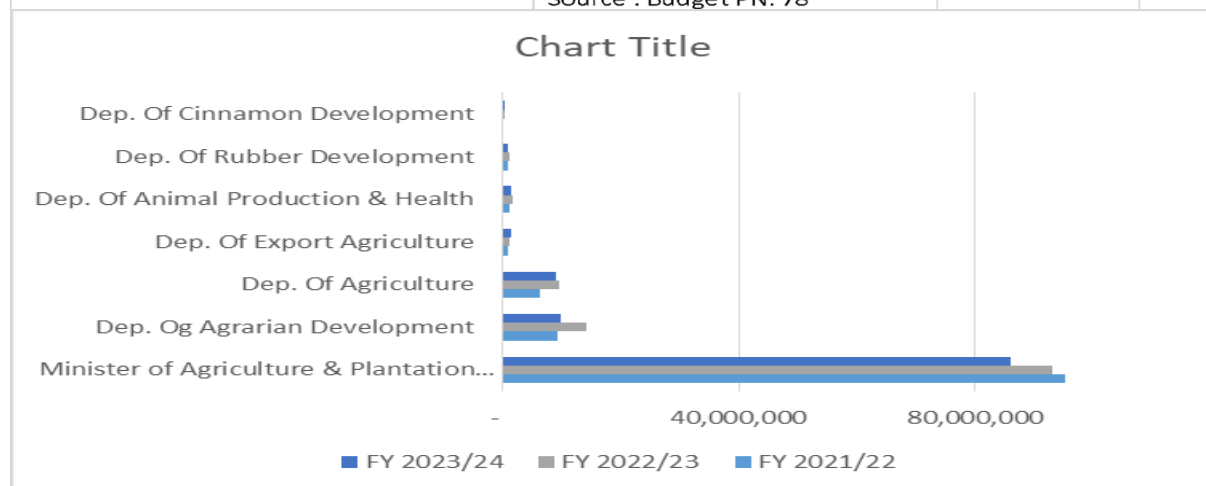
- Despite the overall national budget growth, the Ministry of Agriculture's share is declining, indicating potential reprioritization within national spending.
- A sharp decline in recurrent expenditure in the agriculture sector points to reduced operational or programmatic funding.

Detailed analysis of Budgetary Allocation

The GOSL allocates and spends considerable public money on agricultural activities, mainly through the Minister of Agriculture & Plantation, Agrarian Development, the Department of Agriculture, and other relevant ministries. The national budget allocation for the Ministry and its associated departments from FY 2021/22 to FY 2023/24 is depicted below.

Table 6.1 Budgetary Allocations of the Ministry of Agriculture and Plantation Industries

Ministry of Agriculture & Plantation Industries (Budgetary Allocation)				
Rs. '000				
	Ministry			
	FY 2021/22	FY 2022/23	FY 2023/24	%
Minister of Agriculture & Plantation	95,151,012	93,001,625	86,102,470	76
Dep. Og Agrarian Development	9,212,325	14,179,750	9,835,700	9
Dep. Of Agriculture	6,405,773	9,699,514	8,992,960	8
Dep. Of Export Agriculture	1,035,161	1,304,900	1,450,000	1.3
Dep. Of Animal Production & Health	1,109,292	1,669,100	1,500,150	1.3
Dep. Of Rubber Development	1,026,678	1,204,698	940,000	0.8
Dep. Of Cinnamon Development	-	200,000	140,000	0.2
		150,000	125,000	0.1
		50,000	15,000	0.0
Source : Budget PN. 78				



The national budget allocation for the Ministry and its associated departments from FY 2021/22 to FY 2023/24 reflects varying levels of financing aimed at supporting agriculture and plantation industries. The total ministry financing shows a relatively steady allocation, beginning at Rs. 113.9 billion in FY 2021/22, increasing to Rs. 121.3 billion in FY 2022/23, and slightly decreasing to Rs. 112.6 billion in FY 2023/24. This pattern suggests maintaining consistent funding for agricultural activities despite possible financial constraints.

Most funding within the ministry consistently goes to the Minister of Agriculture and Plantation Industry, receiving Rs. 95.1 billion in FY 2021/22 and Rs. 86.1 billion by FY 2023/24. This department's budget shows a gradual reduction, indicating potential prioritisation shifts or efficiency improvements. The Department of Agrarian Development experienced a significant increase in FY 2022/23, with its budget allocation rising from Rs. 9.2 million in FY 2021/22 to Rs. 14.2 billion before decreasing again in FY 2023/24. This fluctuation may reflect one-off projects or specific initiatives aimed at agrarian support.

Other departments, such as Export Agriculture, Animal Production & Health, and Rubber Development, exhibit relatively modest funding allocations, with minor variances over the years. For instance, the funding for the Department of Export Agriculture has seen a slight increase each year, potentially indicating a gradual expansion or ongoing programs. However, the Department of Cinnamon Development received a minimal allocation in FY 2022/23 and FY 2023/24, which may suggest limited or narrowly targeted support for cinnamon production. Overall, the budget allocations reveal a steady investment in core agricultural sectors, with targeted increases in certain departments to address specific needs or initiatives.

Analysis of allocation for expenditure

These expenditures are categorized under two major categories: recurrent and capital expenditures. The budget data provided shows allocations over the fiscal years 2021/22, 2022/23, and 2023/24 across different sectors, with a distinction between recurrent and capital expenditures.

Over the past three years, the budget allocation reveals a shift towards capital expenditure, rising from 28% in FY 2021/22 to 41% in FY 2023/24, indicating a strategic focus on long-term investments. Total financing peaked in FY 2022/23 but saw a decrease in FY 2023/24, with a similar trend in domestic financing, which dropped by 14.2% in the latest year. Foreign contributions showed more fluctuation, declining in FY 2022/23 before rising significantly in FY 2023/24.

The Ministry of Agriculture and Plantation Industry's budget saw steady decreases, reflecting a possible reallocation of resources away from recurrent spending in this sector. Many departments under agriculture saw peak budgets in FY 2022/23, followed by reductions,

Table 5.2: Allocation and Utilization of Fiscal Budgets of the MoA

Ministry of Agriculture & Plantation Industries						
Rs.'000						
	Ministry					
	FY 2021/22	%	FY 2022/23	%	FY 2023/24	%
Total Financing	113,940,243	100	121,259,587	100	112,561,280	100
<i>Domestic</i>	88,103,986	77	101,429,112	84	87,031,110	77
<i>Foreign</i>	25,836,257	23	19,830,475	16	25,530,170	23
Minister of Agriculture & Plantation	95,151,012	84	93,001,625	77	86,102,470	76
<i>Recurrent Expenditure / Transfers</i>	66,896,575	59	64,394,125	53	48,389,800	43
<i>Capital Expenditure</i>	28,254,437	25	28,607,500	24	37,712,670	34
Dep. Og Agrarian Development	9,212,325	8	14,179,750	12	9,835,700	9
<i>Recurrent Expenditure</i>	8,686,590	8	9,659,750	8	5,980,340	5
<i>Capital Expenditure</i>	525,735	0	4,520,000	4	3,855,360	3
Dep. Of Agriculture	6,405,773	6	9,699,514	8	8,992,960	8
<i>Recurrent Expenditure</i>	5,138,752	5	6,319,014	5	5,757,960	5
<i>Capital Expenditure</i>	1,267,021	1	3,380,500	3	3,235,000	3
Dep. Of Export Agriculture	1,035,161	1	1,304,900	1	1,450,000	1.3
<i>Recurrent Expenditure</i>	770,841	1	867,900	1	933,000	0.8
<i>Capital Expenditure</i>	264,320	0	437,000	0	517,000	0.5
Dep. Of Animal Production & Health	1,109,292	1	1,669,100	1	1,500,150	1.3
<i>Recurrent Expenditure</i>	678,994	1	802,100	1	841,150	0.7
<i>Capital Expenditure</i>	430,298	0	867,000	1	659,000	0.6
Dep. Of Rubber Development	1,026,678	1	1,204,698	1	940,000	0.8
<i>Recurrent Expenditure</i>	359,866	0	483,698	0	412,000	0.4
<i>Capital Expenditure</i>	666,812	1	721,000	1	528,000	0.5
Dep. Of Cinnamon Development	-	-	200,000	0	140,000	0.2
<i>Recurrent Expenditure</i>	-	-	150,000	0	125,000	0.1
<i>Capital Expenditure</i>	-	-	50,000	0	15,000	0.0

Source : Budget PN. 78

Ministry of Agriculture & Plantation Industries			
Rs.'000	PN. 78		
	Ministry		
	FY 2021/22	FY 2022/23	FY 2023/24
Recurrent Expenditure	82,531,618	82,676,587	66,439,250
Capital Expenditure	31,408,623	38,583,000	46,522,030
Capital Expenditure Budget	28%	32%	41%

especially in recurrent expenditure, which dropped by 23.6% from FY 2022/23 to FY 2023/24. This overall pattern suggests a clear emphasis on capital projects, likely to support infrastructure and development goals, while streamlining recurrent costs across various sectors, which is welcoming.

The Ministry of Agriculture's average recurrent and capital expenditures are LKR 77 billion and LKR 38 billion, respectively. The Department of Agriculture's average recurrent and capital expenditures are LKR 5,738 million and LKR 2,627 million, respectively. It is noteworthy that the Capital Expenditure of the sector increased from 28% of total budget in 2021 to 41% in 2024.

It is also observed that 76% of the sector's budgetary allocation, amounting to LKR 86 Bn in 2024, is vested in the Minister of Agriculture and Plantation. According to the mean values of both expenditures, the Ministerial of Agriculture spends more than the Department of Agriculture on capital and recurrent expenditures, mainly due to transfers and subsidies.

Revenue Analysis

The revenue composition of the Ministry of Agriculture & Plantation & the key departments are depicted below. Over the past three fiscal years, the revenue streams for various departments under the Ministry and the Minister show noticeable trends in reliance on government grants and, to a lesser extent, foreign grants.

Rs.'000	PN. 82			PN 111		
Financial Statements Analysis	Minister			Dept. of Agriculture		
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2021/22	FY 2022/23	FY 2023/24
Income Statement						
Revenue Sources:						
Government Grants:	69,370,353	73,241,150	60,642,300	6,350,176	9,629,514	8,922,960
Foreign Grants:	25,780,659	19,760,475	25,460,170	55,598	70,000	70,000
Revenue from Agricultural Products /Services :						
Other Income (e.g., donations):						
Total Revenue:	95,151,012	93,001,625	86,102,470	6,405,774	9,699,514	8,992,960

Rs.'000	PN. 105			PN. 121			PN. 126		
Financial Statements Analysis	Dept. of Agrarian Development			Dept. of Export Agriculture			Dept. of Animal Production & Health		
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2021/22	FY 2022/23	FY 2023/24	FY 2021/22	FY 2022/23	FY 2023/24
Income Statement									
Revenue Sources:									
Government Grants:	9,212,326	14,179,750	13,435,700	1,035,161	1,304,900	1,450,000	1,109,292	1,669,100	1,500,150
Foreign Grants:									
Revenue from Agricultural Products /Services :									
Other Income (e.g., donations):									
Total Revenue:	9,212,326	14,179,750	13,435,700	1,035,161	1,304,900	1,450,000	1,109,292	1,669,100	1,500,150

Over the past three fiscal years, the revenue streams for various departments under the Ministry and the Minister demonstrate noticeable trends in reliance on government grants and, to a lesser extent, foreign grants. Government grants have been the primary source of revenue, exhibiting some fluctuations. For instance, the Department of Agriculture experienced an increase in government grants from FY 2021/22 to FY 2022/23, followed by a decrease in FY 2023/24. Similar patterns can be observed across other departments, such as Agrarian Development and Animal Production & Health, suggesting possible shifts in funding allocations or budget adjustments based on evolving government priorities.

Foreign grants constitute a smaller portion of revenue, exhibiting minor variations over the years. While departments such as Agriculture and Agrarian Development have consistently received foreign grants, the amounts remain relatively stable, with slight increases anticipated in FY 2023/24. In contrast, departments like Rubber Development and Cinnamon Development demonstrate little to no reliance on foreign grants, likely due to limited international engagement in their operations. This analysis underscores a strong dependence on domestic government support across the departments, with slight supplementary income from foreign sources in specific areas, indicating a predominantly domestic funding strategy for agricultural and development activities.

Expenditure Analysis

The expenditure composition of the Ministry of Agriculture & Plantation & the key departments are depicted below. The expenditure data for the Ministry and its departments from FY 2021/22 to FY 2023/24 reveals trends in cost management across key areas, including salaries, operational costs, and subsidies

Rs.'000	PN. 78					
Financial Statements Analysis	Ministry					
	FY 2021/22	%	FY 2022/23	%	FY 2023/24	%
Income Statement						
Expenditures:						
Salaries and Wages:(Emoluments)	16,063,280	19%	18,044,100	22%	17,925,000	27%
Operational Costs (utilities, maintenance):	869,789	1%	1,453,478	2%	1,997,940	3%
Subsidies & Transfers	65,201,666	79%	62,474,289	76%	45,280,900	69%
Administrative Costs:	396,884	0%	704,720	1%	835,410	1%
Total Expenditures:	82,531,619		82,676,587		66,039,250	

Rs.'000	PN. 82			PN 111		
Financial Statements Analysis	Minister			Dept. of Agriculture		
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2021/22	FY 2022/23	FY 2023/24
Income Statement						
Expenditures:						
Salaries and Wages:(Emoluments)	1,506,725	1,815,588	2,475,500	4,755,679	5,410,314	4,804,500
Operational Costs (utilities, maintenance):	201,407	293,128	670,600	214,327	460,000	484,750
Subsidies & Transfers	65,085,407	62,152,689	45,006,350	39,968	169,000	169,000
Administrative Costs:	103,036	132,720	237,350	128,777	279,700	299,710
Total Expenditures:	66,896,575	64,394,125	48,389,800	5,138,751	6,319,014	5,757,960

Rs.'000	PN. 105			PN. 121			PN. 126		
Financial Statements Analysis	Dept. of Agrarian Development			Dept. of Export Agriculture			Dept. of Animal Production & Health		
	FY 2021/22	FY 2022/23	FY 2023/24	FY 2021/22	FY 2022/23	FY 2023/24	FY 2021/22	FY 2022/23	FY 2023/24
Income Statement									
Expenditures:									
Salaries and Wages:(Emoluments)	8,308,431	9,064,600	8,917,000	696,667	762,900	795,000	539,072	590,000	580,000
Operational Costs (utilities, maintenance):	236,528	371,150	429,290	40,041	53,800	77,700	85,154	118,600	184,500
Subsidies & Transfers	36,072	64,600	49,750	14,924	15,500	19,000	23,447	21,500	31,300
Administrative Costs:	105,559	159,400	184,300	19,209	35,700	41,300	31,322	72,000	45,350
Total Expenditures:	8,686,590	9,659,750	9,580,340	770,841	867,900	933,000	678,995	802,100	841,150

The expenditure data for the Ministry and its departments from FY 2021/22 to FY 2023/24 reveals trends in cost management across key areas, including salaries, operational costs, and subsidies. Salaries and wages represent a consistent expense, with slight fluctuations. For instance, the Ministry's salary expenses grew from FY 2021/22 to FY 2022/23, followed by a marginal decrease in FY 2023/24. Operational costs, such as utilities and maintenance, have generally increased, possibly due to inflationary pressures or the need for enhanced services. This increase is evident in both the Ministry and departments like Agriculture and Agrarian Development, where operational costs have nearly doubled over three years. Notably, project expenses appear to be absent, indicating a possible focus on sustaining current operations rather than expanding into new projects.

Subsidies and transfers make up a substantial portion of total expenditures across the departments, especially within Agriculture and Agrarian Development. However, this category has shown a decreasing trend over the three years, suggesting an intentional

reduction in subsidy and transfer outflows. Administrative costs have risen moderately, which may reflect adjustments for inflation or enhanced administrative requirements. Overall, the departments show a strategic approach to expenditure control, with cuts in subsidies and relatively stable personnel costs. This indicates a balance between maintaining essential functions and managing costs amidst potentially constrained budgets.

Further analysis of Departments under Agriculture & Plantation

Dept. of Agriculture			
	FY 2021/22	FY 2022/23	FY 2023/24
Total Financing	6,405,774	9,699,514	8,992,960
<i>Domestic</i>	6,350,176	9,629,514	8,922,960
<i>Foreign</i>	55,598	70,000	70,000
Admin. & Establishment Services	560,947	713,100	674,800
<i>Recurrent Expenditure</i>	532,269	632,100	625,800
<i>Capital Expenditure</i>	28,678	81,000	49,000
	9%	7%	8%
Agriculture research & Development	1,997,710	2,664,814	2,215,900
<i>Recurrent Expenditure</i>	1,757,848	2,235,814	1,775,900
<i>Capital Expenditure</i>	239,862	429,000	440,000
	31%	27%	25%
Agriculture Extension & Training	1,672,700	2,385,400	2,153,210
<i>Recurrent Expenditure</i>	1,475,331	1,787,900	1,585,210
<i>Capital Expenditure</i>	197,369	597,500	568,000
	26%	25%	24%
Seed Certification & Plant Protection	2,174,417	3,936,200	3,949,050
<i>Recurrent Expenditure</i>	1,373,304	1,663,200	1,771,050
<i>Capital Expenditure</i>	801,113	2,273,000	2,178,000
	34%	41%	44%

Source: National Budget Estimates 2024

Lkr:'000

Dept. of Agrarian Development			
	FY 2021/22	FY 2022/23	FY 2023/24
Total Financing	9,212,326	14,179,750	13,435,700
<i>Domestic</i>	9,212,326	14,179,750	13,435,700
<i>Foreign</i>			
Admin. & Establishment Services	574,974	742,750	736,410
<i>Recurrent Expenditure</i>	509,910	584,250	662,550
<i>Capital Expenditure</i>	65,064	158,500	73,860
	6%	5%	5%
Implementation of the Agrarian Services Act	8,637,351	13,437,000	12,699,290
<i>Recurrent Expenditure</i>	8,176,680	9,075,500	8,917,790
<i>Capital Expenditure</i>	460,671	4,361,500	3,781,500
	94%	95%	95%

Source: National Budget Estimates 2024

Lkr:'000

Dept. of Export Agriculture			
	FY 2021/22	FY 2022/23	FY 2023/24
Total Financing	1,035,161	1,304,900	1,450,000
<i>Domestic</i>	1,035,161	1,304,900	1,450,000
<i>Foreign</i>			
Export Crop Development Project	815,252	1,304,900	1,450,000
<i>Recurrent Expenditure</i>	563,661	867,900	933,000
<i>Capital Expenditure</i>	251,591	437,000	517,000
	79%	100%	100%
Export Crop Research & Integrated Pest/Disease Mgt. Project	219,910		
<i>Recurrent Expenditure</i>	207,181		
<i>Capital Expenditure</i>	12,729		

Source: National Budget Estimates 2024

Lkr:'000

	PN. 126		
Dept. of Animal Production & Health			
	FY 2021/22	FY 2022/23	FY 2023/24
Total Financing	1,109,292	1,669,100	1,500,150
<i>Domestic</i>	1,109,292	1,669,100	1,500,150
<i>Foreign</i>			
General Admin. & Sector Mgt	727,268	893,100	914,150
<i>Recurrent Expenditure</i>	678,994	802,100	841,150
<i>Capital Expenditure</i>	48,274	91,000	73,000
	66%	54%	61%
Animal Health & Livestock Research	230,102	344,000	227,000
<i>Recurrent Expenditure</i>	-	-	-
<i>Capital Expenditure</i>	230,102	344,000	227,000
	21%	21%	15%
Livestock Development & Training	151,922	432,000	359,000
<i>Recurrent Expenditure</i>	-	-	-
<i>Capital Expenditure</i>	151,922	432,000	359,000
	14%	26%	24%

Source: National Budget Estimates 2024

Lkr:'000

	PN. 132		
Dept. of Rubber Development			
	FY 2021/22	FY 2022/23	FY 2023/24
Total Financing	1,026,678	1,204,698	940,000
<i>Domestic</i>	1,026,678	1,204,698	940,000
<i>Foreign</i>			
Admin. & Establishment Services	1,026,678	1,204,698	940,000
<i>Recurrent Expenditure</i>	359,866	483,698	412,000
<i>Capital Expenditure</i>	666,812	721,000	528,000

Source: National Budget Estimates 2024

Lkr:'000

Further analysis of entities under mode of financing

Entities Funded by Government of Srilanka (GOSL)

Self-Financing public Institutions

Financial Statements Analysis	PADDY MARKETING BOARD			Financial Statements Analysis	SL CARP		
	FY 2021/22	FY 2022/23	FY 2023/24		FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement				1 Income Statement			
Revenue Sources:				Revenue Sources:			
Government Grants:	131,606	220,000	184,600	Government Grants:	138,610	140,500	132,000
Foreign Grants:				Foreign Grants:			
Revenue from Agricultural Products /Services :	35,000	40,000	39,000	Revenue from Agricultural Products /Services :	175	4	4
Other Income (e.g., donations):				Other Income (e.g., donations):			
Total Revenue:	166,606	260,000	223,600	Total Revenue:	138,785	140,504	132,004
Expenditures:				Expenditures:			
Salaries and Wages:(Emoluments)	131,606	220,000	184,600	Salaries and Wages:(Emoluments)	28,600	33,500	47,000
Operational Costs (utilities, maintenance):				Operational Costs (utilities, maintenance):	101,910	82,000	55,000
Project Expenses (e.g., irrigation, research):				Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers				Subsidies & Transfers			
Administrative Costs:				Administrative Costs:			
Total Expenditures:	131,606	220,000	184,600	Total Expenditures:	130,510	115,500	102,000
Net Income/Loss:	35,000	40,000	39,000	Net Income/Loss:	8,275	25,004	30,004

Financial Statements Analysis	HARTI			Financial Statements Analysis	NATIONAL FERTILIZER SECRETARIAT		
	FY 2021/22	FY 2022/23	FY 2023/24		FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement				1 Income Statement			
Revenue Sources:				Revenue Sources:			
Government Grants:	202,000	243,200	237,300	Government Grants:		45,000	40,000
Foreign Grants:				Foreign Grants:			
Revenue from Agricultural Products /Services :	19,022	24,690	27,967	Revenue from Agricultural Products /Services :	265,218	2,131,397	261,585
Other Income (e.g., donations):				Other Income (e.g., donations):			
Total Revenue:	221,022	267,890	265,267	Total Revenue:	265,218	2,176,397	301,585
Expenditures:				Expenditures:			
Salaries and Wages:(Emoluments)	177,760	176,200	165,300	Salaries and Wages:(Emoluments)		25,000	25,000
Operational Costs (utilities, maintenance):	10,240	42,000	42,000	Operational Costs (utilities, maintenance):		15,000	15,000
Project Expenses (e.g., irrigation, research):				Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers				Subsidies & Transfers			
Administrative Costs:				Administrative Costs:			
Total Expenditures:	188,000	218,200	207,300	Total Expenditures:	-	40,000	40,000
Net Income/Loss:	33,022	49,690	57,967	Net Income/Loss:	265,218	2,136,397	261,585

Financial Statements Analysis	NIPHM		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	5,000	194,300	196,500
Foreign Grants:			
Revenue from Agricultural Products /Services :	9,487	7,490	7,900
Other Income (e.g., donations):			
Total Revenue:	14,487	201,790	204,400
Expenditures:			
Salaries and Wages:(Emoluments)		114,300	108,500
Operational Costs (utilities, maintenance):		50,000	53,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	-	164,300	161,500
Net Income/Loss:	14,487	37,490	42,900

Financial Statements Analysis	HADABIMA		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	189,790	335,000	359,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	3,897	4,200	5,459
Other Income (e.g., donations):			
Total Revenue:	193,687	339,200	364,459
Expenditures:			
Salaries and Wages:(Emoluments)	89,630	90,000	93,000
Operational Costs (utilities, maintenance):	23,460	45,000	46,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	113,090	135,000	139,000
Net Income/Loss:	80,597	204,200	225,459

Financial Statements Analysis	RRI		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	415,050	472,000	413,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	27,800	52,550	60,000
Other Income (e.g., donations):			
Total Revenue:	442,850	524,550	473,000
Expenditures:			
Salaries and Wages:(Emoluments)	344,650	387,000	323,000
Operational Costs (utilities, maintenance):	50,000	55,000	60,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	394,650	442,000	383,000
Net Income/Loss:	48,200	82,550	90,000

Financial Statements Analysis	NATIONAL INSTITUTE OF PLANTATION MANAGEMENT		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	80,000	92,000	106,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	78,267	82,500	106,500
Other Income (e.g., donations):			
Total Revenue:	158,267	174,500	212,500
Expenditures:			
Salaries and Wages:(Emoluments)	42,000	44,000	51,000
Operational Costs (utilities, maintenance):	22,000	28,000	30,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	64,000	72,000	81,000
Net Income/Loss:	94,267	102,500	131,500

Financial Statements Analysis	SRI LANKA TEA BOARD		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	164,175	240,000	
Foreign Grants:			
Revenue from Agricultural Products /Services :	199,220	333,310	340,290
Other Income (e.g., donations):			
Total Revenue:	363,395	573,310	340,290
Expenditures:			
Salaries and Wages:(Emoluments)	164,175	240,000	
Operational Costs (utilities, maintenance):			
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	164,175	240,000	-
Net Income/Loss:	199,220	333,310	340,290

Financial Statements Analysis	TRI		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	446,900	473,000	480,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	35,072	44,000	41,500
Other Income (e.g., donations):			
Total Revenue:	481,972	517,000	521,500
Expenditures:			
Salaries and Wages:(Emoluments)	320,000	338,000	340,000
Operational Costs (utilities, maintenance):	99,900	100,000	100,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	419,900	438,000	440,000
Net Income/Loss:	62,072	79,000	81,500

Financial Statements Analysis	COCONUT RESEARCH INSTITUTE		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	267,430	295,000	275,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	377,000	502,000	502,000
Other Income (e.g., donations):			
Total Revenue:	644,430	797,000	777,000
Expenditures:			
Salaries and Wages:(Emoluments)	211,430	220,000	200,000
Operational Costs (utilities, maintenance):	46,000	60,000	60,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	257,430	280,000	260,000
Net Income/Loss:	387,000	517,000	517,000

Financial Statements Analysis	COCONUT CULTIVATION BOARD		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	622,520	560,000	580,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	1,521,670	2,613,940	2,678,478
Other Income (e.g., donations):			
Total Revenue:	2,144,190	3,173,940	3,258,478
Expenditures:			
Salaries and Wages:(Emoluments)	394,520	510,000	530,000
Operational Costs (utilities, maintenance):			
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	394,520	510,000	530,000
Net Income/Loss:	1,749,670	2,663,940	2,728,478

Financial Statements Analysis	COCONUT DEVELOPMENT AUTHORITY		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	142,000	160,000	150,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	220,000	220,000	268,000
Other Income (e.g., donations):			
Total Revenue:	362,000	380,000	418,000
Expenditures:			
Salaries and Wages:(Emoluments)	132,000	150,000	150,000
Operational Costs (utilities, maintenance):	10,000	10,000	
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	142,000	160,000	150,000
Net Income/Loss:	220,000	220,000	268,000

Financial Statements Analysis	SRI LANKA CASHEW CORPORATION		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	106,500	135,000	140,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	134,800	160,000	185,000
Other Income (e.g., donations):			
Total Revenue:	241,300	295,000	325,000
Expenditures:			
Salaries and Wages:(Emoluments)	77,500	85,000	85,000
Operational Costs (utilities, maintenance):			
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	77,500	85,000	85,000
Net Income/Loss:	163,800	210,000	240,000

Financial Statements Analysis	PALMYRAH DEVELOPMENT BOARD		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	158,960	179,000	169,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	53,000	143,170	77,940
Other Income (e.g., donations):			
Total Revenue:	211,960	322,170	246,940
Expenditures:			
Salaries and Wages:(Emoluments)	149,600	156,000	145,000
Operational Costs (utilities, maintenance):			
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	149,600	156,000	145,000
Net Income/Loss:	62,360	166,170	101,940

Financial Statements Analysis	SPICES & ALLIED MARKETING BOARD		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	35,500	50,000	55,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	467,679	480,000	498,000
Other Income (e.g., donations):			
Total Revenue:	503,179	530,000	553,000
Expenditures:			
Salaries and Wages:(Emoluments)	20,500	25,000	30,000
Operational Costs (utilities, maintenance):	15,000	15,000	15,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	35,500	40,000	45,000
Net Income/Loss:	467,679	490,000	508,000

Financial Statements Analysis	AGRI & AGRA INSURANCE BOARD		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	4,158,000	4,760,000	5,386,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	2,082,321	8,867,078	8,634,460
Other Income (e.g., donations):			
Total Revenue:	6,240,321	13,627,078	14,020,460
Expenditures:			
Salaries and Wages:(Emoluments)	-		
Operational Costs (utilities, maintenance):	4,158,000	4,750,000	5,386,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	4,158,000	4,750,000	5,386,000
Net Income/Loss:	2,082,321	8,877,078	8,634,460

Financial Statements Analysis	TEA SMALL HOLDINGS		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	599,556	528,000	520,000
Foreign Grants:			
Revenue from Agricultural Products /Services :	38,090	17,500	19,400
Other Income (e.g., donations):			
Total Revenue:	637,646	545,500	539,400
Expenditures:			
Salaries and Wages:(Emoluments)	374,900	388,000	380,000
Operational Costs (utilities, maintenance):	68,656	90,000	90,000
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:			
Total Expenditures:	443,556	478,000	470,000
Net Income/Loss:	194,090	67,500	69,400

SELF- FINANCING PUBLIC INSTITUTIONS

Financial Statements Analysis	CEYLON FERTILIZER COMPANY LTD		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:			
Foreign Grants:			
Revenue from Agricultural Products /Services :	340,447	211,271	5,833
Other Income (e.g., donations):	286,579	679,235	758,604
Total Revenue:	627,026	890,506	764,437
Expenditures:			
Salaries and Wages:(Emoluments)			
Operational Costs (utilities, maintenance):	151	8,992	1,750
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:	533,615	550,252	566,447
Finance Cost	27,911	218,301	78,487
Total Expenditures:	561,677	777,545	646,684
PBT	65,349	112,961	117,753
Income Tax	16,227	7,840	23,324
Other Comprehensive Income	941	(61,471)	2,849,986
Net Income/Loss:	82,517	59,330	2,991,063
2 Balance Sheet			
Assets:			
Current Assets:	32,213,060	28,837,866	21,759,412
Non-Current Assets:	2,638,308	2,600,949	5,777,219
Total Assets:	34,851,368	31,438,815	27,536,631
Liabilities:			
Current Liabilities:	14,835,104	2,617,368	8,360,827
Long-Term Liabilities:	13,626,038	22,402,035	9,854,546
Total Liabilities:	28,461,142	25,019,403	18,215,373
Equity:	6,390,226	6,419,412	9,321,258

Financial Statements Analysis	NLDB		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:	971		
Foreign Grants:			
Revenue from Agricultural Products /Services :	1,210,307	1,272,895	1,106,569
Other Income (e.g., donations):	57,438	114,132	142,898
Total Revenue:	1,268,716	1,387,027	1,249,467
Expenditures:			
Salaries and Wages:(Emoluments)			
Operational Costs (utilities, maintenance):	46,270	38,089	66,811
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:	1,046,112	1,203,931	1,310,298
Finance Cost	16,414	12,145	39,969
Total Expenditures:	1,108,796	1,254,165	1,417,078
PBT	159,920	132,862	(167,611)
Income Tax	(12,319)	-	-
Other Comprehensive Income	18,285	18,285	27,225
Net Income/Loss:	165,886	151,147	(140,386)
2 Balance Sheet			
Assets:			
Current Assets:	996,242	1,066,846	1,065,634
Non-Current Assets:	4,876,247	5,000,244	4,965,965
Total Assets:	5,872,489	6,067,090	6,031,599
Liabilities:			
Current Liabilities:	1,011,132	944,388	1,009,729
Long-Term Liabilities:	380,376	321,669	272,807
Total Liabilities:	1,391,508	1,266,057	1,282,536
Equity:	4,480,982	4,801,033	4,749,062

Financial Statements Analysis	COLOMBO COMMERCIAL FERTILIZER COMPANY		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:			
Foreign Grants:			
Revenue from Agricultural Products /Services :	209,036	177,782	118,098
Other Income (e.g., donations):	161,501	480,386	570,492
Total Revenue:	370,537	658,168	688,590
Expenditures:			
Salaries and Wages:(Emoluments)			
Operational Costs (utilities, maintenance):	3,129	1,443	2,746
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:	114,171	128,074	126,520
Finance Cost	19,081	27,508	4,466
Total Expenditures:	136,381	157,025	133,732
PBT	234,156	501,143	554,858
Income Tax	(73,327)	(139,948)	(262,104)
Other Comprehensive Income	(1,293)	7,959	403,267
Net Income/Loss:	159,536	369,154	696,021
2 Balance Sheet			
Assets:			
Current Assets:	21,699,527	20,575,569	16,519,351
Non-Current Assets:	593,124	549,352	922,202
Total Assets:	22,292,651	21,124,921	17,441,553
Liabilities:			
Current Liabilities:	4,743,670	11,984,224	6,882,811
Long-Term Liabilities:	14,473,232	5,708,418	6,271,297
Total Liabilities:	19,216,902	17,692,642	13,154,108
Equity:	3,075,749	3,432,278	4,287,444

Financial Statements Analysis	MILCO		
	FY 2021/22	FY 2022/23	FY 2023/24
1 Income Statement			
Revenue Sources:			
Government Grants:			
Foreign Grants:			
Revenue from Agricultural Products /Services :	1,200,451	385,659	1,580,821
Other Income (e.g., donations):	141,261	805,574	224,352
Total Revenue:	1,341,712	1,191,233	1,805,173
Expenditures:			
Salaries and Wages:(Emoluments)			
Operational Costs (utilities, maintenance):	434,224	500,080	476,811
Project Expenses (e.g., irrigation, research):			
Subsidies & Transfers			
Administrative Costs:	763,517	925,920	1,220,206
Finance Cost	29,167	156,745	324,102
Total Expenditures:	1,226,908	1,582,745	2,021,119
PBT	114,804	(391,512)	(215,946)
Income Tax	-	-	-
Other Comprehensive Income	327,486	(15,480)	-
Net Income/Loss:	442,290	(406,992)	(215,946)
2 Balance Sheet			
Assets:			
Current Assets:	2,529,453	3,166,131	3,022,126
Non-Current Assets:	18,959,778	19,252,369	19,106,194
Total Assets:	21,489,231	22,418,500	22,128,320
Liabilities:			
Current Liabilities:	1,180,975	2,466,799	2,305,707
Long-Term Liabilities:	19,120,805	19,171,244	19,258,102
Total Liabilities:	20,301,780	21,638,043	21,563,809
Equity:	1,187,451	780,457	564,510

Productivity

It has been observed that the agricultural sector's contribution is inadequate to meet the local demand for agricultural products, necessitating significant imports to cover the shortfall and resulting in considerable cash outflow. Despite substantial global demand for high-quality agricultural products, Sri Lanka struggles to supply and generate foreign income due to its low levels of agricultural production. Nonetheless, agricultural production remains insufficient for local consumption. This raises the overarching question: What is the impact of public agricultural expenditure on the performance of the agricultural sector?

Comparing public expenditure and its performance among similar countries is vital for corrective actions and better future performance of each nation.

Effective postharvest management, value addition, processing, and marketing are relevant and essential for increasing product productivity and competitiveness. The main stakeholders are producers, entrepreneurs, Value-adding and processing organizations, the government, and consumers. Ensuring win-win partnerships and efficient coordination among stakeholders is key to success. Yet, to date, the interactions and collaborations between these actors have been limited and lack vision regarding the forward and backward linkages throughout the value chain.

Employment

Employment					
Industry Group	2019	2020	2021	2022	2023
Total Employed	8,181	7,999	8,114	8,148	8,010
A Agriculture, Forestry and Fishing	2,072	2,170	2,213	2,159	2,088
	25%	27%	27%	26%	26%
Source: Sri Lanka Labor Force Survey, Department of Census and Statistics					

The employment data for the Agriculture, Forestry, and Fishing sector from 2019 to 2023 reflects its stability as a significant contributor to the overall employment landscape. Total employment has remained steady, experiencing only minor year-to-year fluctuations, peaking at 8.148 million in 2022 before a slight decrease in 2023. This trend suggests the resilience of the labour market, which has sustained employment levels near 8 million over five years, despite potential economic or industry-specific challenges.

Agriculture, Forestry, and Fishing consistently account for approximately a quarter of total employment, fluctuating from 25% in 2019 to a peak of 27% in 2020 and 2021, before stabilising at 26% in the subsequent years. This sector's steady employment percentage reflects a continued dependence on agricultural roles within the economy, which may be vital for rural employment and food security. However, the slight decline in agricultural employment from 2,213 in 2021 to 2,088 in 2023 could indicate modest sectoral shifts, possibly attributable to mechanisation, changing rural demographics, or other structural changes.

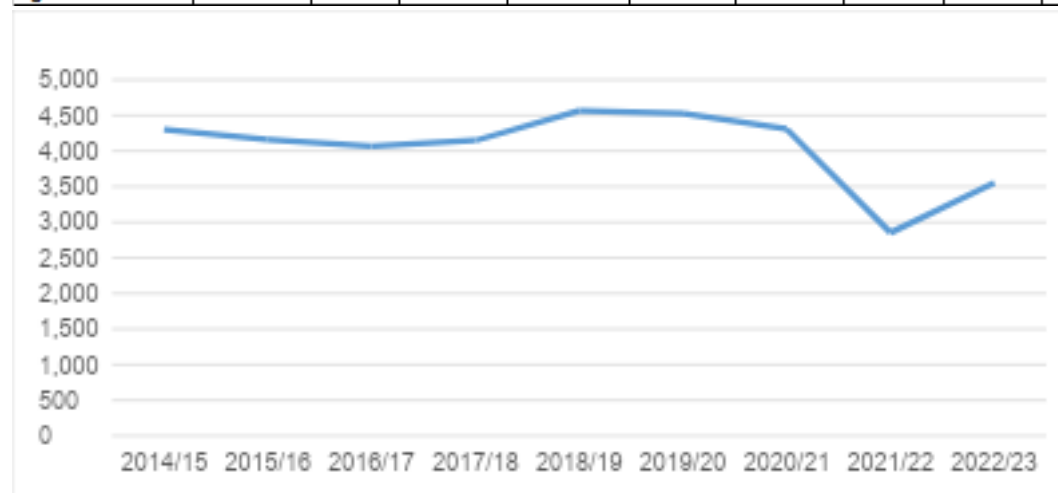
Land distribution

Land Distribution (Sq Km)					
District	Land Area	%	District	Land Area	%
Anuradhapura	7,179	11	Badulla	2,861	4
Moneragala	5,639	9	Batticaloa	2,854	4
Kurunegala	4,816	7	Trincomalee	2,727	4
Ampara	4,415	7	Mullaitivu	2,693	4
Polonnaruwa	3,293	5	Hambantota	2,609	4
Ratnapura	3,275	5	Kandy	1,940	3
Puttalam	3,072	5	Matale	1,993	3
	31,689	48	Mannar	1,996	3
			Vavuniya	1,891	3
			Nuwara-Eliya	1,741	3
			Kegalle	1,693	3
			Galle	1,652	3
			Kalutara	1,598	2
			Gampaha	1,387	2
			Matara	1,283	2
			Kilinochchi	1,279	2
			Jaffna	1,025	2
			Colombo	699	1
				33,921	52
			Total	65,610	100

Yield

The average yield data for paddy cultivation from 2014/15 to 2022/23

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Average Yield Kg/net Hect.	4,303	4,165	4,071	4,148	4,567	4,531	4,307	2,853	3,554

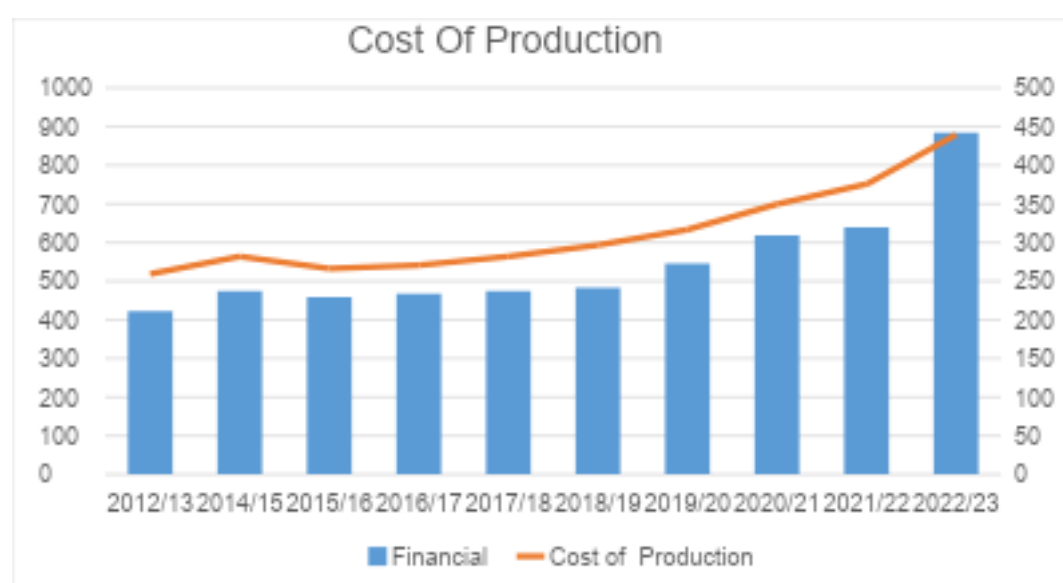


The average yield data for paddy cultivation from 2014/15 to 2022/23 reveals a generally stable productivity trend until a significant drop in 2021/22. From 2014/15 to 2019/20, paddy yields fluctuated between 4,000 and 4,500 kg per hectare, indicating consistent agricultural productivity. During this period, there were fluctuations, with a peak of 4,567 kg per hectare in 2018/19, followed by a minor decrease, yet the overall productivity remained relatively high.

However, 2021/22 experienced a notable decline to 2,853 kg/hectare, the lowest in this period. This could suggest adverse conditions such as extreme weather events, policy changes, or supply chain disruptions that impacted productivity. By 2022/23, yields recovered somewhat to 3,554 kg/hectare, although still below pre-2021 levels. This partial rebound suggests that while productivity is on the mend, the sector may still recover from the prior year's year and require additional support or interventions to fully restore previous productivity levels.

Cost of Production

Financial	Cost of Production		
Year	Tea (per kg) (Rs. cts.)	Rubber (per kg) (Rs. cts.)	Coconut (per „,000
2012/13	422.7	259.43	13,577.54
2014/15	475.11	282.04	15,126.47
2015/16	458.84	266.41	16,388.08
2016/17	466.98	270.48	16,686.70
2017/18	475.29	281.71	18,840.72
2018/19	483.79	296.99	18,325.17
2019/20	546.53	316.86	21,812.84
2020/21	618.49	349.55	26,958.23
2021/22	638.99	375.57	27,208.70
2022/23	885	439.73	28,066.81



The cost of production for tea has seen a marked increase over the years, moving from Rs. 422.7 per kilogram in 2012/13 to Rs. 885 in 2022/23. This sharp rise, particularly after 2019/20, indicates increasing pressure on tea producers, likely due to rising labour and input costs such as fertiliser and energy. Additionally, regulatory changes or environmental factors may influence tea production costs, which can affect yield and production efficiency. The notable increase over the past few years could indicate challenges for tea growers in maintaining profitability, especially if market prices for tea have not kept pace with the escalating production expenses.

For rubber, the production cost per kilogram has gradually risen from Rs. 259.43 in 2012/13 to Rs. 439.73 in 2022/23. Rubber prices have followed a relatively stable upward trend, with small increases each year, likely reflecting steady yet rising expenses in areas such as labour, maintenance, and raw materials. The consistent increase in costs indicates that rubber producers have encountered ongoing inflationary pressures. Given rubber's sensitivity to fluctuations in global demand, rising production costs could diminish competitiveness and profitability for domestic producers if international market prices do not keep pace with these cost increases.

Coconut production costs have experienced a particularly steep rise, climbing from Rs. 13,577.54 per 1,000 nuts in 2012/13 to Rs. 28,066.81 in 2022/23. The most significant increases occurred after 2019/20, possibly reflecting higher labour costs, water scarcity, or rising fertiliser and agricultural inputs expenses. Given the dependence of coconuts on specific climatic conditions, these cost increases may also be exacerbated by climate variability, which can influence irrigation needs and yield consistency. For coconut growers, the increasing costs present a substantial burden, particularly if market demand and prices do not rise correspondingly, threatening financial sustainability.

Enhance efficiency: Streamline operational processes to reduce costs and boost productivity.
Invest in technology: Increase funding for contemporary agricultural technologies and research to enhance yield and efficiency.

Broad Recommendations

Immediate corrective actions are essential for stabilising finances, enhancing operational efficiency, and better aligning with strategic goals. Addressing these issues will be crucial for improving overall performance and achieving long-term sustainability. A sustained focus on revenue diversification and operational enhancements will further strengthen financial stability.

Explore alternative funding sources, such as partnerships and private sector investments, to reduce dependency on government grants. Revenue diversification is critical to the long-term viability of the viability sector.

Investment-led growth indicates that public spending, especially on infrastructure and human capital development, can stimulate economic growth and enhance productivity in agriculture. For instance, investments in irrigation systems, transport networks, agricultural research, and

extension services can improve the sector's performance by boosting market access, increasing agricultural productivity, and fostering technological innovation.

- Efforts must be made to consciously identify areas of synergy across the value chain, ensuring that resources are utilised with optimal efficiency within a restricted fiscal space.
- Engaging with private actors is essential for improved adoption and greater technological advancements specific to the sector. Investments in research and development are vital for innovation within the sector.
- Forward and backward linkages with academic institutions, universities, chambers, and businesses (with domestic & foreign markets) need to be in place to optimize resources and enhance the incremental value creation.
- Effective policies and government support, including limited subsidies, appropriate taxation, focused credit facilities, and clustered extension services, are essential for enhancing the financial viability of the DOA, farmers, agribusinesses, and smallholders.
- Improvements in rural infrastructure, including roads, irrigation systems, and suitable storage and transportation facilities, can minimise post-harvest losses and enhance market access.

Promoting value addition through processing and distribution industries and agribusinesses can create higher-value products and improve farmers' profitability.

Enhancing employees' skills and knowledge through training programs and education can improve their ability to adopt new technologies and sustainable practices, which can then be disseminated to farmer communities.

- Public-Private Partnerships (PPP) in agriculture offer opportunities for conducting advanced research, developing new technologies, and deploying products that benefit small-scale, resource-poor farmers and other marginalised social groups in developing countries. They reduce upfront public capital investment and enhance the mobilisation of private capital.

The following areas in the agriculture value chain require the initiation of public-private partnerships to enhance the sector's financial viability through resource optimisation:

Implement a performance-related reward system in agriculture across sub-sectors.

- Efforts should be made to remove the financial and regulatory constraints that hamper agricultural development, especially the use of new machinery and technologies.
- Constitute the involvement of private sector and development partners in decision-making related to agriculture.
- Adopt a stable taxation and fiscal policy system to provide price support to the producers and consumers.
- Regulate imports based on annual/seasonal production targets.
- Public policies play a significant role in public financial management and performance. Public expenditure policies are crucial for the growth of the agriculture sector, and any

reduction in agricultural public expenditure negatively affects the sector's performance.

- Low-income individuals are predominantly engaged in the agriculture sector, necessitating adequate financial support for successful operations and performance. Therefore, public policies regarding public finance play a significant role in the performance of the agriculture sector, especially in emerging economies like Sri Lanka.
- Research and development play crucial roles in the agriculture sector's performance. However, agricultural public expenditures have not increased since the mid-2000s, emphasising the importance of prioritising infrastructure and research investments.
- It is crucial to redirect public resources to tackle market failures. Investments in research, development, and infrastructure are essential for rural development, particularly in underdeveloped areas. However, effective institutions are vital for realising the economic benefits of increased capital expenditure.

6. The Proposed Restructuring of Institutions in the Agriculture Sector

The restructuring process has been developed through a comprehensive evaluation of the roles and responsibilities of key public sector entities (institutions, corporations, organisations, etc.) to enable the agriculture sector to address national concerns related to promoting the financial viability of livelihoods in food production and distribution; reducing the burden on the government to achieve food and nutrition security; and promoting value chain development within the sector to create new job opportunities for youth while enhancing foreign exchange earning capacity. The goal of the assignment is, therefore, to develop an effective, robust institutional and organisational structure to operate under the "Umbrella Ministry of Agriculture" in alignment with Sri Lanka's developmental goals for the twenty-first century.

Further to the data collected and processed from the study of the sector, the restructuring process developed through the creation of a series of three models. The first two models then evolved into a hybrid structure, which is proposed as the most suitable option.

Model 1 - The Commodity-based model (Figure 7.1) focused on the various groups of agricultural commodities, as is currently the case. However, this model failed to evolve into an integrated functional system, as it lacked the necessary linkages across entities to implement effective and streamlined value chain operations.

Model 2 - The common value chain model (Figure 7.2) focuses on institutions and entities grouped according to their respective components of a common agricultural value chain, applicable to all commodities. The Value Chain Model shifts the focus from individual commodities to the interconnected processes that transform agricultural products from raw materials to market-ready goods. This model prioritises the various stages of production as critical points where value can be added through efficient processing, packaging, logistics, and marketing strategies. The Value Chain Model also incorporates mechanisms for performance monitoring and evaluation to ensure accountability and drive results. While proposing a more progressive approach, this model did not readily lend itself to the optimization of resources.

Model - 3 (Figure 7.3), on the other hand, is proposed as the most suitable for the agricultural sector. This Combined Hybrid model, integrating the strengths of both the Commodity-Based and Value Chain Models, creates a versatile and dynamic organisational structure for agriculture. The model suggested for the administration of the “Umbrella Ministry” of Agriculture maintains the existing sectoral focus on individual commodities while also considering the value chain processes that enhance the productivity and commercialisation of agricultural produce and products. By adopting this hybrid approach, agricultural institutions can ensure they remain specialised in their commodity sectors and adaptable to the holistic requirements of the overall agriculture market. This fusion enables entities to leverage specialised knowledge while fostering collaboration across different segments of the value chains, thereby enhancing the effectiveness of both research and development efforts and market outreach initiatives.

In this Combined Hybrid Model, the strategic alignment of resources, activities, and stakeholders is crucial. Each national authority, responsible for specific commodities, is tasked with overseeing the entire value chain related to its commodity while simultaneously engaging with relevant national agencies that manage cross-cutting functions such as finance, policy development, and technology transfer. This interconnected structure enhances operational efficiency and effectiveness, facilitates the sharing of best practices, and strengthens partnerships among public and private sector stakeholders—ultimately raising the standards of output and service delivery within the sector.

The implementation of the combined hybrid model not only seeks to streamline administrative and operational processes but also aims to support the broader goals of food security, rural development, and economic growth. By establishing a responsive organisational architecture that can adapt to changing market conditions and emerging challenges, this model positions Sri Lanka's agricultural sector to harness local and global opportunities, driving sustained advancements in productivity, innovation, and competitiveness. Consequently, it lays a strong foundation for making informed decisions that benefit communities, sustain livelihoods, and ensure the long-term resilience of agriculture in the nation.

A critical analysis was undertaken to derive an acceptable organisational model. The hybrid model 3 below comprises four national commodity-based authorities, a resource-based authority, and 17 national value chain-oriented agencies.

Authorities and Agencies are not expected to be established as new entities; rather, they are expected to operate as “administrative desks” housed within the ministry of agriculture's direct administrative offices.

The proposed structure will lead to a modern system that employs state-of-the-art technology and expertise. This system is marked by effective coordination, efficient communication, accountability to stakeholders, and adherence to global performance and quality standards. It aims to enhance engagement among the final beneficiaries—farmers,

producers, entrepreneurs, and consumers—while ensuring a heightened level of accountability.

The proposed model is justified by the results obtained from the respective entities' financial analyses. It centres around optimizing existing institutional strengths and resources and geographic location in relation to functional expectations from the sector to contribute to the national goal of achieving sustainable economic growth in the country. Problems related to existing complex agriculture sector structures in India, Pakistan, China, and Vietnam have also been considered.

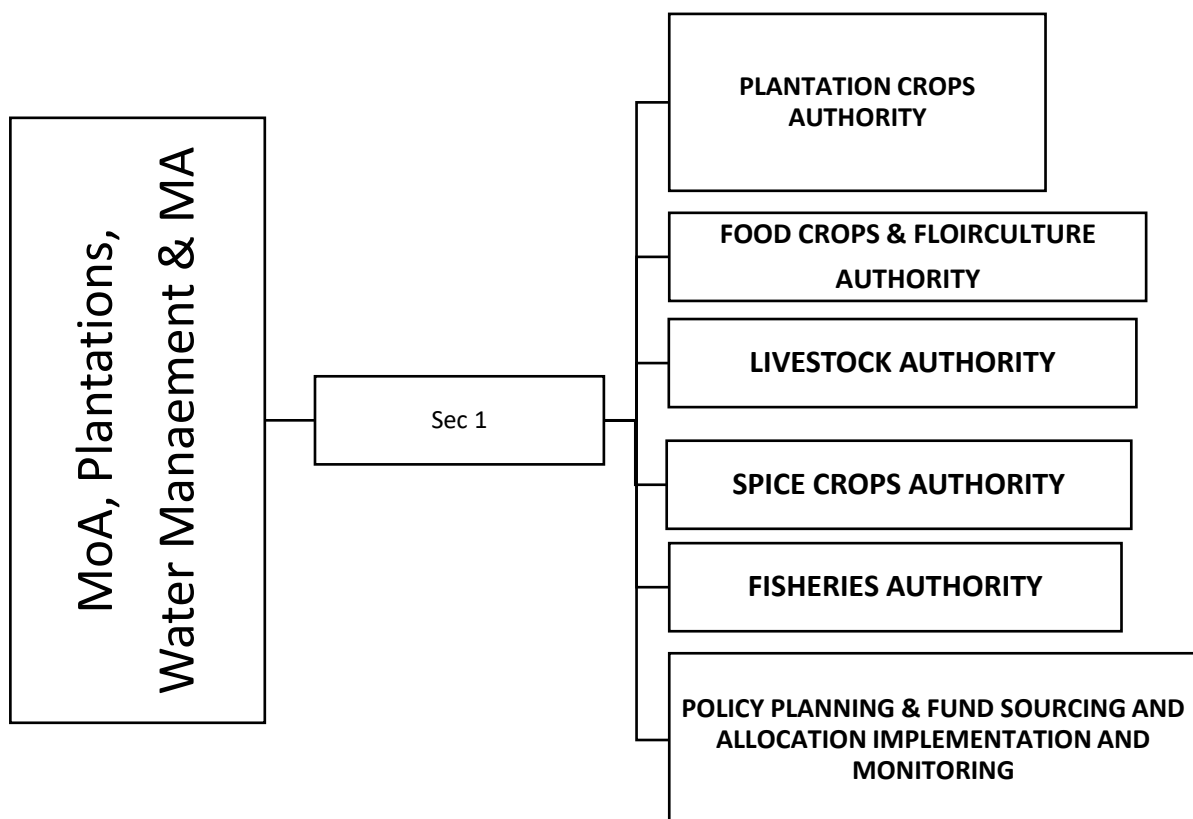


Figure 7.1 Model 1- Commodity-Based

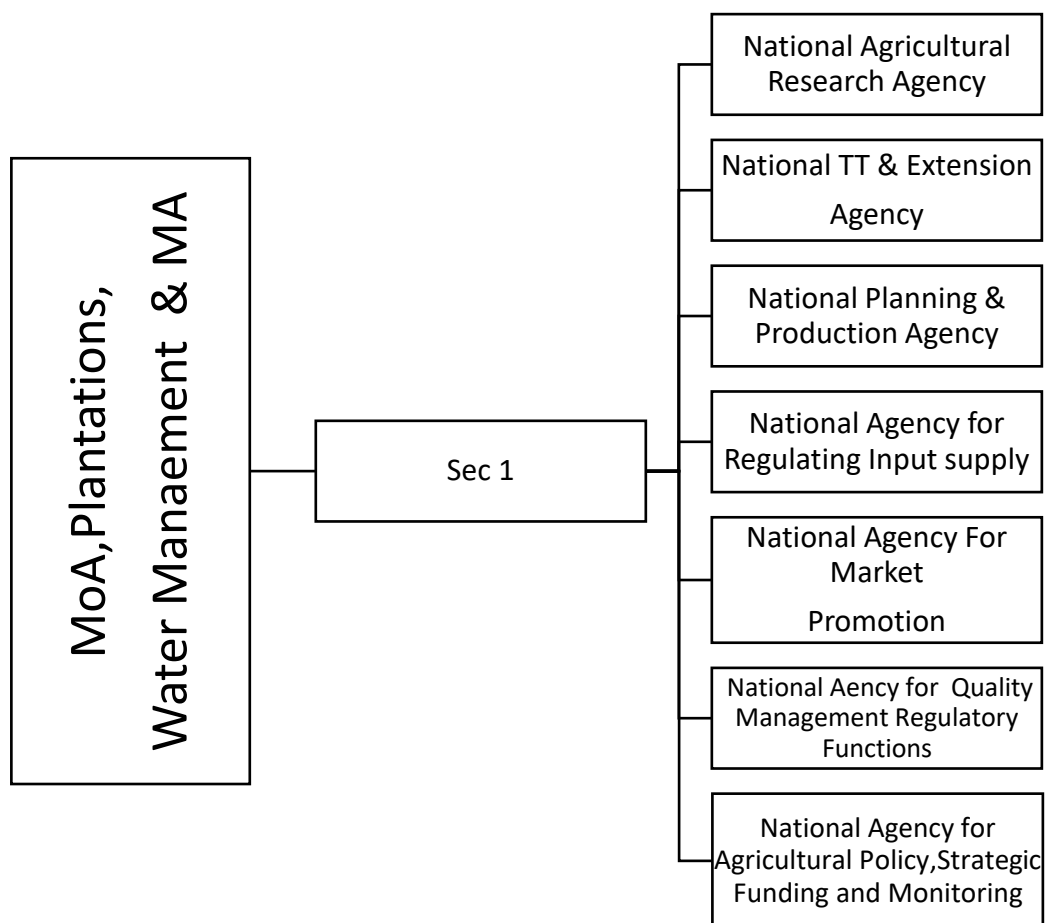
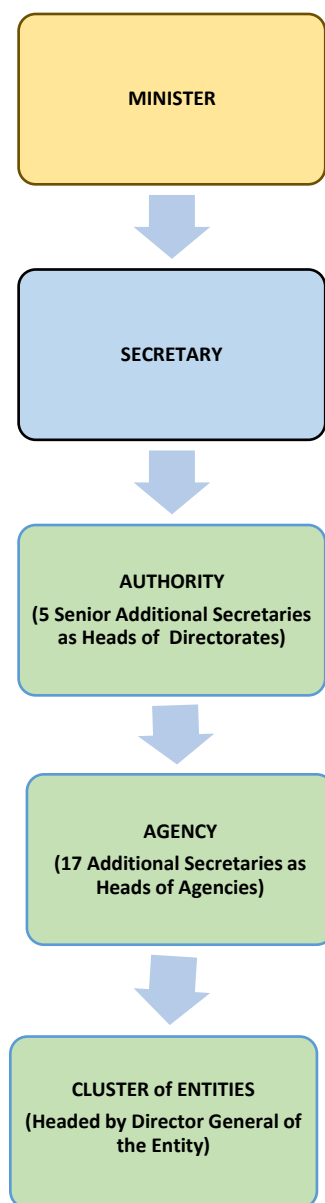


Figure 7.2 Model 2 Value-Chain Based



Ministry Vision

Ensure food and nutrition security and ensure enhanced rural incomes and export incomes

AUTHORITIES

1. Plantation & Spice Crops Authority (PSCA)
2. Food Crops & Floriculture Authority (FFA)
3. Animal Production and Health Authority (APHA)
4. Marine & Aquatic Resources Authority (MARA)
5. Agricultural Lands and Water Management Authority (ALWA)

AGENCIES

1. National Plantation Crops Research Agency
2. National Spice Crops Research Agency
3. National Food Crops & Floriculture Research Agency (DOA)
4. National Animal Production & Health Research Agency
5. National Fisheries and Aquaculture Research Agency
6. National Extension, Education and Training Agency
7. National Plantation Crops Production Planning Agency
8. National Spice Crops Production Planning Agency
9. National Food Crops & Floriculture Production Planning Agency
10. National Animal Production & Health Production Planning Agency
11. National Fisheries Production Planning Agency
12. National Water Management Agency
13. National Agricultural Lands Agency
14. The National Agriculture Produce Marketing Agency
15. The National Regulating Input Supply Agency
16. The National Quality Management Regulatory Functions Agency
17. National Agency for Agriculture Policy, Strategic Funding and Monitoring

Figure 7.3 Model 3 - Recommended Hybrid Model

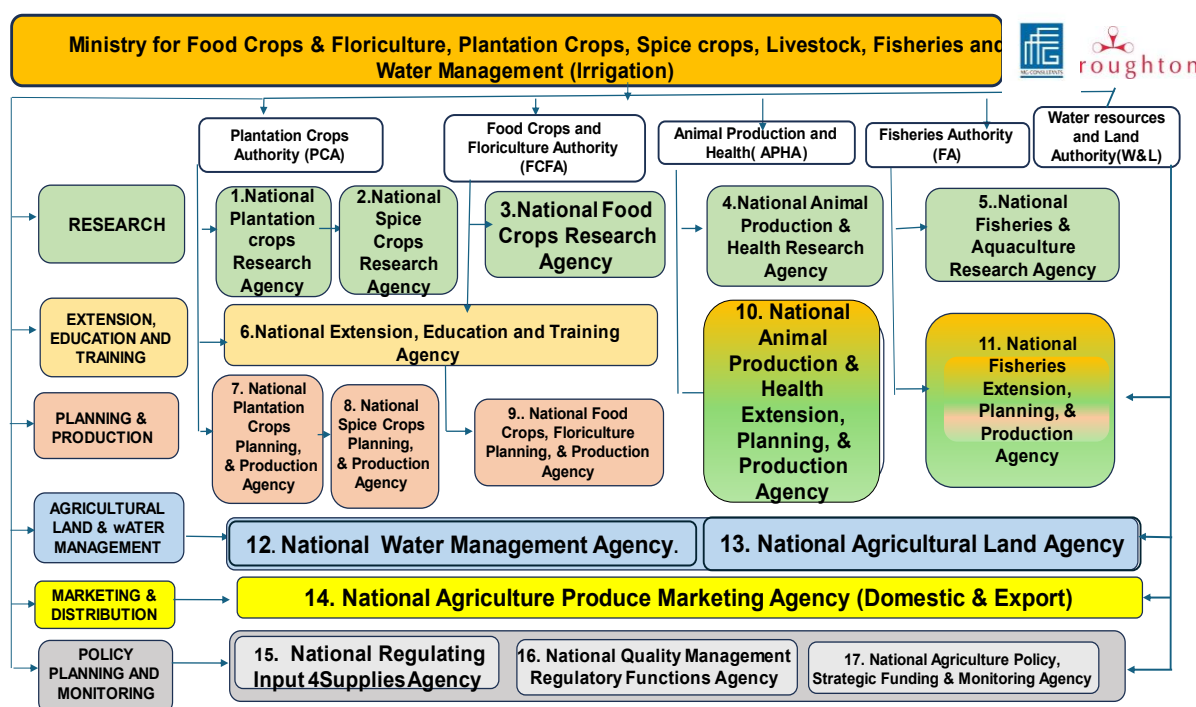


Figure 7.4 Model 3 – Organogram of Recommended Hybrid Model

Administered by the “Umbrella Ministry” of Agriculture for Food Crops, Floriculture, Plantation Crops, Spice Crops, Animal Production and Health, Marine and Aquatic Resources and Agricultural Lands and Water Management Authority

Rationale For the Proposed Tiered System of Management

This study revealed that the agriculture sector is currently managed by a fragmented, multi-tiered system that has evolved over the years. The existing Agriculture Sector management structure is not an integrated functional system. It lacks the desired modern linkages between and across entities to enact effective and streamlined functional operations. This inefficient phenomenon of a fragmented, multi-tiered system was also observed in the other countries referred to in this study. However, apart from Sri Lanka, none of these countries have attempted to restructure the agriculture sector.

Therefore, the proposed restructure is novel. Its simplicity is expected to be its strength. The model addresses the inefficiencies observed within the existing system in Sri Lanka and seeks to optimize available resources.

The proposed restructure focuses on interconnected processes that transform agricultural products from raw materials to market-ready goods, incorporating mechanisms for performance monitoring and evaluation to ensure results-driven accountability.

The Ministry of Agriculture, according to the proposed restructure, will oversee functions relevant to the sector that are currently managed by nine ministries, facilitating more coherent administrative management of the agriculture sector under a single “umbrella Ministry”. The suggested three-tiered model is a streamlined structure comprising authorities, national agencies, and entities within this “umbrella Ministry” of Plantation and Spice Crops, Food Crops and Floriculture, Animal Production and Health, and Fisheries and Aquatic Resources. Coordination necessary for planning is achieved through (1) vertical integration for decision-making and (2) horizontal integration for coordination.

The three-tiered model comprises authorities, national agencies, and entities within an “umbrella Ministry” overseeing plantation and spice crops, food crops and floriculture, animal production and health, and fisheries and aquatic resources. It encompasses both the commodity and its corresponding value chain components. The first tier consists of five key authorities to oversee four essential sets of agricultural commodities and the management of agricultural land and water resources. They are as follows:

1. Plantation and Spice Crops Authority
2. Food Crops and Floriculture Authority
3. Animal Production and Health Authority
4. Fisheries and Aquaculture Resources Authority
5. Land and Water Management Authority

These **authorities** are supported by seventeen **national agencies** that form the second tier. The agencies will coordinate activities of clusters of relevant **entities** and ensure the implementation of targeted, goal-oriented sectoral programmes in accordance with the mandates of the respective entities. Authorities and agencies are not expected to be established as new entities; rather, they are anticipated to operate as coordinating directorates housed within the administrative offices of the Ministry of Agriculture. Entities belonging to the Ministry of Agriculture will operate from locations outside the immediate premises of the Ministry of Agriculture as the third tier of the new organisational structure.

The Ministry of Agriculture for Plantation and Spice Crops, Food Crops and Floriculture, Animal Production and Health, Marine and Aquatic Resources, and Agricultural Lands and Water Management is envisaged as the umbrella organization of the proposed three-tiered operative restructure. It will be responsible for the management and performance of five authorities and seventeen agencies. The latter comprises relevant clusters of entities with mandates for implementing prescribed activities related to the policies, goals, and targets of the respective Agencies they belong to.

As such -

- **Authorities** are linked to key commodities of the Agricultural Production System, namely, Plantation crops, Food Crops and Floriculture, Animal Production and Health, Marine and aquatic Resources, and the key natural resources, Land and Water.
- **Agencies** introduce a futuristic, modern approach and represent links in the value chain components of the main commodities (e.g., Research, Extension, Production, Marketing, etc.) necessary for planning, implementing, and managing a modern, productive Agricultural System.
- **Entities** are the operational units of the proposed model

A Legal Framework for The Proposed Structure

As described previously, the proposed structure for the Ministry of Agriculture (reconstituted as the Ministry for Food Crops and Floriculture, Plantation Crops, Spice Crops, Animal Production and Health, Marine and Aquatic Resources, Land and Water Management) can be described as comprised of pillars representing four commodity sectors and one for primary resource management. The organizational architecture consists of three levels with an Authority at the helm, followed by agencies performing a cluster forming function with carefully chosen entities that were the subject of this study at the very bottom.

The Authority

The five Authorities are expected to function as administrative Directorates consisting of respective committees, with representatives carrying out activities managed by the seventeen agencies. All Authorities and Agencies are to be situated within the direct administrative offices of the “Umbrella Ministry” of Agriculture and led by competent scientific personnel.

The respective Authority would be managed and controlled by a board of Directors appointed by the Minister based on predetermined eligibility criteria. It is suggested that the members be drawn from diverse backgrounds to ensure that a multitude of perspectives are considered. The Directors should also have a high degree of security of tenure.

The Authority should be granted the power to establish its own guidelines on procurement, HR, and finances, subject to parliamentary approval. This would help eliminate red tape and inefficiency.

The Authority should follow a robust audit procedure and hold the Directors personally responsible for any financial or other irregularities.

Key functions of the above authorities are listed below:

- Devise suitable policies and collaborate with relevant agencies for planning and implementation.
- Build robust relationships with international agricultural agencies.
- Ensure appropriate statutory enactments

- Coordinate activities of agencies coming under its purview
- Monitor the performance of agencies within its purview, identifying and updating indicators.
- Ensure adequate distribution of financial and human resources.

Functions of respective commodity/resource - based authorities

Each of the five Authorities, namely: 1. Plantation and Spice Crops Authority; 2. Food Crops & Floriculture Authority; 3. Animal Production and Health Authority; 4. Marine and Aquatic Resources Authority; and 5. Agricultural Lands and Water Management, will operate under the supervision of the Ministry of Agriculture. They will be responsible for the efficacy of their respective value chains and the overall administration of the agriculture sector. The Authorities will oversee the functions and performance of relevant National Agencies established to optimise the output of value chains associated with the key agricultural commodities managed by each of the five Authorities.

The Agency

The term "agency" is used here to describe a body that is entrusted with the role of coordinating the entities within the pillar. As the structure suggests, the agency is to be subservient to the authority. Since the agencies are not expected to perform transactions, the extensive powers given to the authorities are unnecessary for forming agencies. However, we propose that they be granted a separate legal personality due to the many advantages that such powers offer. The agency would be led by a management committee comprising the executive heads of the respective entities entrusted to the agency. Most importantly, the agency must be endowed with the power to compel and direct entities to adhere to a common policy direction or programme that has been agreed upon at the agency level.

Functions of National Agencies

National Agencies are perceived as coordinating committees comprised of the Heads of relevant clusters of entities responsible for operating specific value chain components. Clusters of entities with common functions and objectives are aligned under respective agencies to avoid duplication of functions and optimize resource utilization in a context where resource allocation is often limited. The establishment of these individual National Agencies will enable the standardization of remuneration for the retention of technical expertise within the sector.

The Entities

As set out in the table elsewhere in the report, these are the chosen few. They will be brought into the structure following the implementation of the modifications and incorporation Acts recommended in this report. With time, the Authority will guide the entities in evolving their structure, functions, and business so that the government's objectives in the agricultural sector are met.

NATIONAL PLANTATION CROPS RESEARCH AGENCY (NCRA)

This agency will comprise Research Centres, as in Table 7.1, with laboratories for scientific excellence in Tea, Rubber, Coconut, Palmyra, Cashew Sugarcane, and Spice Crops. These entities will also handle the development of seed/planting material for certified multiplication and distribution by government farms, farmer co-operatives, farmers, and the private sector. The research centres will also develop technology for processing and adding value to respective crops. They will also generate necessary technical information for extension purposes.

The following is the mandate / key functions of the NCRA

- Identify the research priorities for plantation crops.
- Mobilise financial and human resources
- Foster positive working relationships with pertinent local and international research organisations.
- Ensure the enhancement of upscaling and industrial applications.
- Establish hubs for commercialisation
- Manage genetic resources, and prevent gene piracy
- Ensure proper human resource management through efficient recruitment, promotion, and retention strategies.
- Implement effective incentive schemes including, human social wellbeing and housing
- Introduce programmes to acknowledge and incentivise significant research

Cluster of Entities

(1) Tea Research Centre, (2) Rubber Research Centre, (3) Coconut Research Centre, (4) Sugarcane Research Centre, (5) Palmyra Research Centre, (6) Cashew Research Centre, (7) Spice Crops Research Centre.

NATIONAL FOOD CROPS AND FLORICULTURE RESEARCH AGENCY

The two Centres of Excellence for agricultural research within this agency are the Rice Research Centre at Bathalagoda and the Food Crops Research Centre (FCRC) at Mahailluppallamma. The Postharvest Technology Centre (PHTC, formerly NIPHM) will be incorporated into the FCRC. The Rice Research Centre, with its contributions to self-sufficiency in rice and advancements in the commercialisation of the crop along with a well-developed research infrastructure, will serve as the leading research centre for rice research in Sri Lanka. The Food Crops Research Centre at Mahailluppallamma will act as the principal research centre to streamline and coordinate research activities for all other food crops, apart from rice, through the network of existing research stations across the various agro-ecological zones of Sri Lanka. The PHTC will be mobilised to aid agro-processing industries by bridging the gap between laboratory technology and its adaptation for subsequent commercial production. These centres are to be established with specialised laboratories for scientific research.

These entities will also develop basic seed and seed/planting material for multiplication by government farms, farmer co-operatives, farmers, and the private sector. The research centres will also be responsible for developing processing and value addition for respective crops and providing necessary technical information for extension purposes.

Floriculture, research and conservation of ornamental plants and botanical trees – To be absorbed by the Ministry of Agriculture and continued as the Department of National Botanic Gardens.

The following is the mandate / key functions of the NFCRA (DOA)

- Identify and advance research to ensure food and nutrition security.
- Coordinate with related agencies
- Prepare and implement effective strategies for required breeder seeds and high-quality basic planting material.
- Plan for annual food and nutrition requirements, considering all related factors. This information will be made available on a rolling basis to related agencies to develop operational plans, resource requirements, and budget estimates.
- Estimate production levels of local produce for organic foods and floriculture products for local and international markets.
- Manage genetic resources, and prevent gene piracy
- Ensure effective management of human resources through robust recruitment, promotion, and retention strategies.
- Implement effective incentive schemes, including human social wellbeing and housing.
- Introduce programmes to acknowledge and incentivise significant research

Cluster of Entities

Rice Research Centre Bathalagoda - leading centre for rice research sub-stations. Food Crops Research Centre Mahalluppallama - leading centre for all other sub-research stations; National Institute of Post-Harvest Management - providing technical assistance and start-up facilities for rice, cereals, and other food crop processing.

NATIONAL SPICE CROPS RESEARCH AGENCY (NSCRA)

To be continued in the laboratories of the Department of Export Agriculture (DEA).

The following is the mandate / key functions of the agency;

- Identify and promote research to fulfil national requirements, as well as those necessary for international markets.
- Coordinate with relevant agencies to ensure the achievement of product goals and targets.
- Prepare and implement effective plans for required quality planting material

- Plan for the annual requirements of spices, considering all related factors. This information will be made available on a rolling basis to related agencies to develop operational plans, resource requirements, and budget estimates.
- Manage genetic resources, and prevent gene piracy
- Ensure effective management of human resources through robust recruitment, promotion, and retention strategies.
- Implement effective incentive schemes, including human social wellbeing and housing.
- Introduce programmes to acknowledge and incentivise significant research

Cluster of Entities

Department of Export Agriculture

NATIONAL ANIMAL PRODUCTION AND HEALTH RESEARCH AGENCY (NAPHA)

Research programmes will continue at the Veterinary Research Institute of the Department of Animal Production and Health.

The following is the mandate / key functions of the agency;

- Identify and promote research to meet national requirements for livestock products aimed at domestic households and service industries such as tourism and recreation.
- Coordinate with relevant agencies to ensure the achievement of product goals and targets, including food, livestock feed, vaccines, and related items.
- Prepare and implement effective plans for the required quality breeding material in consultation with industry actors.
- Plan for the annual needs of animal feed and human food, considering all relevant factors. This information will be provided on a continuous basis to the appropriate agencies to support the development of operational plans, resource needs, and budget estimates.
- Manage genetic resources, and prevent gene piracy
- Ensure effective management of human resources through strong recruitment, promotion, and retention strategies.
- Implement effective incentive schemes including, human social wellbeing and housing
- Introduce programmes to recognise and incentivise significant research.

Cluster of Entities

Department of Animal Production and Health

NATIONAL MARINE AND AQUACULTURE RESEARCH AGENCY (NMARA)

The National Aquaculture Development Authority and the National Aquatic Resources Research and Development Agency will be merged into a single entity under the jurisdiction of the Department of Fisheries and Aquatic Resources to optimise human and other resources.

The following is the mandate / key functions of the agency;

- Identify research priorities for fisheries and aquaculture.
- Mobilise financial and human resources for the industry.
- Cultivate positive working relationships with relevant local and international research, producer, and processing organisations.
- Ensure the enhancement and industrial application of local research findings.
- Create centres for the commercialisation of production and processing
- Ensure effective management of human resources with robust recruitment, promotion, and retention strategies.
- Develop effective incentive schemes that encompass human social wellbeing and housing.
- Introduce programmes to acknowledge and incentivise significant research

Cluster of Entities

National Aquaculture Development Authority; National Aquatic Resources Research and Development Agency (NARA)

NATIONAL EXTENSION, EDUCATION AND TRAINING AGENCY (NEETA)

This Agency will be administered by a Board of Directors representing various plantation crops, rice, and all other food crops, with established channels to ensure the transfer of technology from research centres to end users. This Agency will absorb the extension workforce currently employed by different organisations, such as the Department of Agriculture, the Provincial Department of Agriculture, the Mahaweli Authority, Tea Smallholders Development Authority, the Coconut Cultivation Board, the Department of Rubber Development, and the Department of Export Crops, among others, to optimise resources and deliver effective outcomes from this vital aspect of the value chain. These extension workers will include individuals currently working in entities that specialise in specific crops. Such personnel will require capacity development to manage multiple crops based on the agro-climatic region to which they are assigned. It is recommended that the responsibility for both the education and training components of the Extension Agency be assigned to the overall management of the DOA. The DOAD needs to undergo necessary structural and administrative changes to optimise the use of their network of Agrarian Service Centres and personnel by NEETA.

This recommendation seeks to minimise overheads and administrative costs while facilitating the effective implementation of national and provincial agricultural plans.

Floriculture – Extension activities to be continued by the Department of National Botanical Gardens

Livestock - Extension activities to be continued by the Department of Animal Production and Health.

Fisheries - Extension activities to be continued by the National Aquaculture Development Authority (NAQA).

The following outlines the agency's mandate and key functions:

- Identify research outputs that require transfer of technology and the pathways of dissemination
- Foster research in extension to improve the service quality
- Develop and cultivate suitable communication mechanisms using ICT to connect research with end users, such as farmers, commercial entities, food processors, entrepreneurs, and farm organisations across various agricultural, livestock, spice, and plantation subsectors.
- Develop and implement an MIS to facilitate technology transfer, allowing each end user to have a QR code through which their requirements can be assessed, service delivery can be monitored, and the end user can interact with the research service sector.
- Mobilise financial and human resources to ensure effective extension services.
- Cultivate positive working relationships with relevant local and international organisations.
- Develop functional relationships with commercialisation hubs for end users in food, spice, plantation crops, livestock, and fisheries/aquaculture.
- Foster international marketing and quality assurance
- Ensure efficient human resource management through recruitment, promotion, and retention strategies that deliver professional extension services offering CPD training.
- Implement effective incentive schemes, including human social wellbeing and housing.
- Introduce schemes to recognise and incentivise impactful extension services where production targets are achieved and exceeded.
- Enhance the quality and impact of the National Schools of Agriculture and Farm Schools for CPD of extension personnel
- Coordinate the training programmes within a national plan among agricultural schools, schools of animal husbandry, TSHDA, CRI, and RRI to ensure that extension officials adopt an agro-ecological perspective in their work.

Cluster of Entities

DOAD; Provincial Department of Agriculture; Mahaweli Authority; Tea Smallholders Dev Authority; Coconut Cultivation Board; Dept of Rubber Dev.; Dept of Export Crops; NAICC ; - PRI+PDB ; SRI; CLCC

NATIONAL PLANTATION CROPS PRODUCTION PLANNING AGENCY (NPCPPA)

The following entities manage government-owned estates of their respective plantation crops: SLCC, JEDB, SLSPC, and the RPCS. Consideration should be given for state-managed plantations under the JEDB and SLPC, among others, to be vested in the Land Reform Commission for redistribution to the families of existing employees.

This Agency will oversee the multiplication of seed/planting material housed in plantation-related agencies and ensure the availability of certified multiplication and distribution by government farms, farmers, farmer co-operatives, and the private sector. It will also be responsible for new planting and replanting.

Technology transfer channels need to be established between respective Crop Research Centres and extension services to ensure that new varieties, technologies, multiplication methods, etc., developed by these centres of excellence reach relevant end users.

This entity will be responsible for national planning for plantation crop production and for developing strategies for both long-term and annual proofduction. To ensure that national and export market requirements are met, it is essential to establish channels for production planning in collaboration with existing entities such as the Provincial Departments of Agriculture, the Department of Commerce, HARTI, the Sri Lanka Tea Board, the Coconut Cultivation Board, the Rubber Development Department, and the Export Development Board.

The following is the mandate / key functions of the agency;

- Develop national strategic and production plans for the plantation sector, including tea, rubber, coconut, sugar cane, palmyra, and kithul.
- Estimate the annual resource requirements for effective implementation of the plan.
- Foster coordination among the different subsectors and agencies for resource-sharing
- Cultivate international relations with appropriate organisations such as the FAO and ICRISAT, among others.
- Promote staff and technology exchange
- Improve CPD programmes for professional staff
- Enhance HR programmes and inter-agency linkages to prevent the brain drain of scientists.

Cluster of Entities

SLCC ; JEDB ; SLSPC (Sri Lanka State Plantations Corporation); RPCs (Regional Plantation Companies); DRD; CCB ; -SRI ; - PRI+PDB ;

NATIONAL FOOD CROPS & FLORICULTURE PRODUCTION PLANNING AGENCY (NFC&FPPA)

This Agency will oversee entities engaged in the multiplication of seed and planting material within the Department of Agriculture, ensuring the availability of certified multiplication and distribution via government farms, farmers, farmer cooperatives, and the private sector.

Technology transfer pathways must be established between the relevant Crop Research Centres and extension service organisations to guarantee the development of new varieties, technologies, multiplication methods, and so forth by these centres of excellence.

National planning for agricultural production will be the responsibility of this Agency. The Agency will oversee the development of both long-term and annual production plans, including livestock feed requirements, to tackle the issue of seasonal price fluctuations. Planning staggered production in suitable climatic zones will eliminate the need for the prohibitive costs associated with low-temperature storage. Channels for planning production must be established with existing entities such as the Department of Agriculture, Provincial Departments of Agriculture, the Department of Irrigation, the DOAD, the Mahaweli and Irrigation Water Secretariat, the Department of Commerce, HARTI, and others, to ensure that both national and export market requirements are met.

National Planning & Production of Food Crops & Floriculture Agency. The following is the mandate / key functions of the agency;

- Develop national strategies for essential food crops and floriculture to address needs.
- Facilitate and coordinate inter-agency cooperation
- Draft strategic plans for implementation.
- Carry out resource requirement estimates to implement the above.
- Advocate for suitable budgetary provisions
- Undertake required monitoring, and impact assessments for the sector

Cluster of Entities

Agencies/housing entities managing food crops and floriculture; SPMDC (DOA); SEPC, SPMDC, NRMDC, ETC (DOA); PDOA; -PDOI; Irrigation Dept; Mahaweli Authority; DOAD

NATIONAL SPICE PRODUCTION PLANNING AGENCY

The Department of Export Agriculture (DEA) will be responsible for multiplying planting material and will ensure the availability of certified multiplication and distribution by registered commercial nurseries. Technology transfer channels need to be established between the DEA and the extension service to ensure that new varieties, multiplication methods, etc., developed by the DEA will be available to end users.

The responsibility for developing plans for long-term and annual production will rest with the Department of Export Agriculture, incorporating input from existing entities such as the

Department of Commerce, HARTI, and others, to ensure that national and export market requirements are adequately addressed.

The following is the mandate / key functions of the agency;

- Prepare national plans for required spice requirements
- Formulate strategic plans for implementation
- Ensure state-of-the-art research facilities for the spice sector.
- Facilitate the creation of essential laboratories, field stations, and farms for producing planting materials.
- Develop quality criteria and guidelines to promote suitable PPPs.
- Facilitate and co-ordinate collaboration between agencies
- Undertake resource requirement estimates to implement above.
- Advocate for and secure adequate budgetary provisions
- Conduct necessary monitoring and impact assessments for the sector.

Cluster of Entities

Planning & Production Agency (DEA); Cinnamon Res Inst

NATIONAL ANIMAL PRODUCTION AND HEALTH, EXTENSION, PRODUCTION PLANNING, AGENCY (NAPHPPA)

Planning and production activities to be continued by the Department of Animal Production and Health

The following is the mandate / key functions of the agency;

- Prepare national plans for livestock production to meet local needs for households and the service industries, including health, tourism, security, and so forth.
- Coordinate with relevant agencies, including private sector industries in poultry, piggery, and dairy, to ensure sufficient supplies.
- Facilitate planning for national requirements with the livestock industry partners in the private sector for dairy, poultry and fisheries subsectors.
- Periodic review of production plans to identify gaps and take remedial action.
- Coordinate with a national marketing agency and input supply

Cluster of Entities

Veterinary Research Institute (Department of Animal Production and Health)

NATIONAL FISHERIES EXTENSION, PRODUCTION PLANNING AGENCY

Planning and production activities will be continued by NARA, NAQDA, and The Ceylon Fisheries Corporation.

The following outlines the agency's mandate and key functions:

- Prepare national plans for inland fisheries and aquaculture production to meet local requirements for households
- Coordinate with related agencies such as the private sector industries to ensure adequate supplies.
- Facilitate planning for national requirements with the fisheries sector partners in the private sector for fisheries subsectors.
- Periodic review of production plans to identify gaps and take remedial action
- Coordinate with national marketing agency and input supply

Cluster of Entities

National Aquatic Resources Research and Development Agency (NARA); National Aquaculture Development Authority (NAQDA); Ceylon Fisheries Corporation; Ceylon Fishery Harbours Corporation

THE NATIONAL AGRICULTURE PRODUCE MARKETING AGENCY

The Agency will handle marketing functions related to domestic and export market operations. This will involve restructuring processes, including the replacement of the PMB with a public corporation to regulate the food crop market through price stabilization. The Agency will assume the functions of the Food Commissioners Department and the infrastructure of the Regional Development Banks' warehouses. Existing dedicated economic centres will be expanded to create a network that enables the equitable collection and distribution of perishable food crops. These centres are to be equipped with technical infrastructure for digital stock and inventory management to ensure availability. This will help prevent the establishment of cartels and market manipulation to support price stabilization.

Export Market Promotion activities to be undertaken with EDB as the lead organisation (collaboration with SLTB, Dep.Com, DRD, CDA, SAPMB etc.).

Mandate

The agency is responsible for overseeing agricultural marketing functions, regulating domestic and export markets, and ensuring a resilient and sustainable food system in Sri Lanka. Its mission includes integrating smallholder farmers into competitive value chains, stabilising food markets, and promoting exports while safeguarding food security and equitable access for all stakeholders.

The domestic market focuses on two main areas; Producer Organization, which facilitates the organization of farmers to strengthen their collective bargaining power and access to markets, and Market Operations, which manage market functions to address market failures and ensure equitable market access.

Key Functions

Domestic and Export Market Operations

- Estimating national food demand and supply.
- Establishing a comprehensive food information system
- Establishing a centralised system for collecting, analysing, and disseminating food-related data.
- Supporting decision-making for market operations and policy formulation.
- Integrating smallholder farmers into sustainable value chains by consolidating activities of the Mahaweli Authority, Irrigation Management Division (IMD), and Department of Agrarian Development.

Creating institutional arrangements for contract enforcement and dispute resolution

Establishing the Small Farmers' Consortium (SFAC)

Facilitating the formation of farmer organizations and farmer companies

Market Intelligence and Digitalization and supply management

- Digitalizing market information across food markets.
- Enhancing market intelligence to support decision-making.
- Reducing post-harvest losses through supply management

Market Regulation

- Preventing supply and storage monopolies by the private sector.
- Implementing Government Price Setting (GPS) mechanisms.
- Regulating domestic market prices through direct purchases at guaranteed prices and stock management.
- Maintaining quality standards for agricultural produce.
- Regulating marketing procedures (e.g., Colombo Tea Auction).

Market Infrastructure Development

- Establishing and facilitating regional and wholesale market infrastructure (e.g., Dedicated Economic Centers)
- Developing storage facilities, including cold storage systems

Export Market Promotion

- Facilitating access to international markets by:
 - Exploring new/niche markets.
 - Ensuring compliance with international standards.
 - Supporting trade negotiations.

Marketing Research

- Conducting research to improve market efficiencies, address failures, and support policy development.

Cluster of Entities

Agricultural Produce Marketing Board (successor to PMB); Food Comm. Department; Regional Development Bank warehouses; Economic centres for collection and distribution of perishable food crops
EDB ; Dept of Commerce

THE NATIONAL REGULATING INPUT SUPPLY AGENCY

This agency will be responsible for purchasing and distributing quality fertilizer (NFS). Irrigation water supplies will continue to be the responsibility of the Department of Irrigation and the Department of Agrarian Development (DOAD) for sugarcane plantations, rice cultivation, and other food crops.

The following is the mandate / key functions of the agency;

- Estimate requirements of input supplies of the primary produce sectors
- Coordinate with input suppliers and importers to ensure a smooth and uninterrupted supply of inputs.
- Regulate supplies effectively by maintaining regular communication and dialogue with the key stakeholders
- Take remedial action to prevent upheavals due to unforeseen market imperfections

Cluster of Entities

National Fertilizer Secretariat; Department of Irrigation; Seed Certification Service (DOA)

THE NATIONAL QUALITY MANAGEMENT REGULATORY FUNCTIONS AGENCY

Quality management ensures that the implementation of national and international regulatory protocols related to commodities within the agricultural value chain is managed by the designated entities of the Department of Agriculture (NPQS; ROP). The Sri Lanka Standards Institute and the National Fertilizer Secretariat issue assured quality certifications (GAP, GI, etc.).

The following outlines the agency's mandate and key functions:

- Establish and review quality standards for products and processes in agriculture, plantations, livestock, fisheries, and aquaculture.
- Coordinate with relevant agencies so that adherence to quality standards benefits the end users, namely consumers and value-adding entrepreneurs.
- Maintain the quality reputation of products and services in the sector.
- Collaborate with media and training agencies to advocate for the principles of quality within the sector.
- Take swift action to redress any quality reputation damage

Cluster of Entities

National Plant Quarantine Service (NPQS); Registrar of Pesticides (ROP); National Animal Quarantine Service; Plant Genetic Resources Centre; SLSI; ITI

NATIONAL AGRICULTURE POLICY, STRATEGIC FUNDING AND MONITORING AGENCY

The National Agency for Agricultural Policy, Strategic Funding, and Monitoring will be responsible for developing national agriculture policies and strategically allocating funds for identified priority areas of research and development. The agency will monitor and evaluate the progress made by recipients of these funds, as well as the overall performance of the sector. The responsibility for the dispensation of research funds and monitoring of research programmes will reside with SL CARP and the National Research Council.

The following is the mandate / key functions of the agency:

- Formulate, review, and update agricultural policy by adopting participatory scientific methodology.
- Facilitate funding from national budgetary provisions or international sources to ensure uninterrupted agriculture development

- Facilitate policy research
- Monitor growth and development of agriculture and its links to technology, human resources, land and other resource use to identify gaps or shortfalls and take remedial action
- Initiate relevant legislation to strengthen agriculture institutional framework

Cluster of Entities

Sri Lanka Council for Agricultural Research Policy (SL CARP); National Research Council (NRC); HARTI

NATIONAL AGENCY FOR WATER MANAGEMENT

The National Agency for Water Management will be responsible for ensuring an adequate, well-programmed, timely supply of good-quality irrigation water. The agency will also need to respond promptly to user needs with climate-smart, state-of-the-art technology for users engaged in the production of respective agricultural commodities.

The following outlines the agency's mandate and key functions:

- Facilitate research on water management with appropriate research organisations.
- Update land classifications in the country
- Prepare water management plans for different irrigation schemes in coordination with the relevant state organisations
- Facilitate use of state-of-the-art scientific knowhow in water and land management
- Coordinate with international organisations such as the UN agencies on climate change

Cluster of Entities

Irrigation Department; DOAD; IMD

NATIONAL AGENCY FOR AGRICULTURAL LANDS.

This Agency will be responsible for an overall plan for land use and its implementation. The Agency will need to intervene when such plans are violated. Thresholds for clearing land above prescribed elevations must be monitored, and measures taken to prevent violations of these limits. The Agency must also examine underutilised lands and ensure that steps are taken to prevent breaches of legislation regarding the misuse of lands explicitly allocated for agriculture.

The following outlines the agency's mandate and key functions:

- Ensure maintenance and update of agriculture land registers where scientific soil classifications are followed to identify appropriate crops and livestock for optimum land use.
- Mitigate against practices that increase land degradation

Cluster of Entities

DOAD; Department of Land Valuation; MA; SLSPC; JEDB; HADABIMA

The Entities

As set out in the table elsewhere in the report, these are the chosen few. They will be brought into the structure following the implementation of the modifications and incorporation Acts recommended in this report. With time, the Authority will guide the entities in evolving their structure, functions, and business so that the government's objectives in the agricultural sector are met.

Strengthening Entities Based on Physical, Financial and Human Capital Resources

Table 7.1: Critical Evaluation of Physical, Financial, And Human Capital Resources Allocated to Various Agricultural Entities

	Organizations / Entities Considered in Restructuring Exercise	Current Key Functions	Restructuring Recommendations	Positioning the Entity in The Proposed Model
1	Agricultural & Agrarian Insurance Board	Management of farmer pension schemes. Provision of Agriculture Insurance cover for flood, drought and elephant damage of six selected crops (Rice, Soybean, Chillie, Big onion, Maize and Potato).	Strengthen public and private sector insurance with state support. Hand over farmer Pension scheme to the Social Security Board of the Ministry of Labour	National Planning & Production of Food Crops & Floriculture Agency.
2	National Fertilizer Secretariat (NFS)	Regulate fertilizer importation, supply and sales.	Limit functions to regulatory activities	The National Quality Management Regulatory Functions Agency.
3	Ceylon Fertilizer Company Ltd	State-owned organizations engaged in wholesale, importers and distribution of quality fertilizers to the farmers in Sri Lanka	Continue as is as these two companies are already merged	Function as Commercial entities
4	Colombo Commercial Fertilizer Ltd			
5	Department of Agrarian Development (DOAD)	To administer matters relating to tenant cultivators of paddy lands and the utilization of agricultural lands according to agricultural policy and the maintenance of minor irrigation schemes.	Of the mandated functions, proposed Regulatory Agency of the DOAD administer matters relating to tenant cultivators of paddy lands and the utilization of agricultural lands according to agricultural policy. The mandate of maintenance of minor irrigation schemes and water management issues to be transferred to the Irrigation Department/provincial irrigation department. The island wide network of Agrarian Service Centres to be utilized as outreach centres for the proposed	National Extension, Education and Training Agency (NEETA) National Agency for Land The National Agency for Water Management National Planning & Production of Food Crops & Floriculture Agency.

			National Agriculture Extension Agency, linked via a management information system to implement national production plans and marketing functions. The ground level personnel - the Agriculture Research and Production Assistant (ARPA) to be absorbed by National Agriculture Plantation, Spices And Food Crop Extension Agency	
Department of Agriculture (National Food Crops and Floriculture Authority)				
6	Rice Research & Development Institute (RRDI) .	Rice Research, Training and Primary dissemination of rice technology	To remain as The Rice Research & Development Center (DOA)	National Food Crops and Floriculture Research Agency
7	Field Crops Research & Development Institute (FCRDI)	Field crop research, Training and Primary dissemination of technology	To be brought under one leading well equipped Centre for Food Crops and floriculture research at Mahallupallama and established as The Food Crops Research & Development Center (DOA).	
8	Fruit Research & Development Institute (FRDI)	Fruit crop research, Training and Primary dissemination of technology	The allocation of the research programmes of all crops other than rice to be the responsibility of this Centre and distributed as appropriate to other sub research centers of the DOA in respective regions.	
9	Horticultural Crops Research & Development Institute (HCRDI)	Vegetable, root and tuber Crop Research, Training and Primary dissemination of technology		
10	Extension & Training Centre (ETC)	Extension, Training & Education	Training & Education of ETC to be inked with Research Centres to source and upgrade technology	1. National Extension, Education and Training Agency (NEETA). 2. National Planning & Production of Food Crops & Floriculture Agency.

11	National Agriculture Information & Communication Centre (NAICC)	Extension Communication	NAICC to be inked with Research Centres to source and transfer technology (DOA)	National Extension, Education and Training Agency (NEETA)
12	Natural Resources Management Centre (NRMC)	Agro-climatology forecasting, climate change research, consultation on soil conservation	To strengthen the current functions and for the entire agriculture sector	2.National Planning & Production of Food Crops & Floriculture Agency. Link to all production planning Agencies National Land Agency National Water Management Agency
13	Seed Certification and Plant Protection Centre (SCPPC)	Certification of seed and planting material & plant protection. and Plant Quarantine aspects of all Agricultural Crops	To be brought under National Agency for Quality Management and Regulatory Functions (DOA)	The National Quality Management Regulatory Functions Agency.
14	Seed & Planting Material Development Centre (SPMDC)	Multiplication of seed/planting material currently housed in the Department of Agriculture to ensure the availability of certified multiplication and distribution by government farms, farmers, farmer co-operatives and the private sector.	Increase the productivity of food crops through quality seed & planting materials	National Planning & Production of Food Crops & Floriculture Agency. The National Regulating Input Supply Agency
15	Socio-Economic Planning Centre (SEPC)	Forecasting supply and demands for national food Production Planning and socio-economic studies	Plan production according to demand and avoid excess production and deficit in requirement	National Planning & Production of Food Crops & Floriculture Agency.

16	Hector Kobbekaduwa Agrarian Research and Training Institute	Agrarian Research, Training and policy Studies .	To be brought under National Agency for Agricultural Policy, Strategic Funding and Monitoring	National Agricultural Policy, Strategic Funding And Monitoring Agency
17	Department of Animal Production and Health	Research, Extension, Training.	Continue as is.	Research (VRI): National Animal Production and Health Research Agency National Animal Production and Health Extension and Production Planning Agency. The National Regulating Input Supply Agency
18	Food Commissioner's Department	No longer a separate entity within the MOA	No longer a separate entity	Functions to be aligned with appropriate agency
19	Hadabima Authority of Sri Lanka	This is a successor to National Agricultural Diversification and Settlement Authority. People Settlement, Soil Conservation, Water shed management and tree planting are the major concern while supporting for marketing of agricultural production from the project area.	Soil conservation and watershed management aspects merge with NRMCC.	Merge watershed management with NRMCC.
20	National Institute of Post-Harvest Management (NIPHM)	Post-harvest and value addition Research, Extension and Training of food crops	All mandatory activities related to food crops can merged with the Food unit of Crop research Institutes of DOA	1. National Food Crops and Floriculture Research Agency 2. National Extension, Education and Training Agency (NEETA)

21	National Livestock Development Board and Affiliated Companies	Production	All farms under NLDB should continue but be managed under the private sector or as Public – Private partnerships	Recommended for Public – Private partnership management
22	Paddy Marketing Board	Storage Price regulation.	To be renamed The Agriculture Marketing Board and function for price regulation of all grain products & condiments.	National Agriculture Produce Marketing Agency
23	Sri Lanka Council for Agricultural Research Policy (SLCARP)	National Agriculture Research Prioritization, Monitoring & Evaluation, formulation of Agriculture Research Policy, Research publication and Funding research	To be strengthen for mandatory functions	National Agency for Agriculture Policy, Strategic Funding and Monitoring
24	National Food Promotion Board	Nutrition enhancement programmes	Consider divesting function to the private sector.	
25	Coconut Cultivation Board (CCB)	Extension, Training, Replanting, new planting, management of subsidies Planting material supply.	Continue as is	1 National Extension, Education and Training Agency (NEETA) 2 National Plantation Crops Planning & Production Agency
26	Coconut Development Authority	Promoting diverse coconut product for both local and export market. Crop and product certification	Merge with Export Development Board	National Agriculture Produce Marketing Agency
27	Coconut Research Institute	Research, Extension and Training.	Administered under the National Plantation Crop Research Agency as centers of excellence for respective plantation crops –	National Extension, Education and Training Agency (NEETA)

28	Rubber Research Institute of Sri Lanka (RRI)	Research. Extension. Training	Tea Research Centre, Coconut Research Centre, Rubber Research Centre, Sugarcane Research Centre, Cashew Research Centre, Palmyra Research Centre.	Extension & training functions to be administered under the National Agriculture Extension & Training Agency
29	Tea Research Institute of Sri Lanka	Research. Extension. Training		
30	Sugarcane Research Institute	Research. Extension. Training		
31	Department of Export Agriculture	Research. Extension. Training.	GI and GAP certification and Formula pricing for value added products to be adopted through DEA. Extension arm of DEA will be under national agency for agriculture plantation, spices and food crop extension	1.National Plantation and Spice Crops Research Agency 2.National Extension, Education and Training Agency (NEETA) 3.National Planning & Production of Spices Agency
32	Cinnamon Research Institute	Research and Training.	To be administered with the Department of Export Agriculture	
33	Palmyra Development Board (PDB)	Extension, Training	To be administered under the Palmyra Research Institute. Extension & training functions to be administered under the National agency for agriculture plantation, spices and food crop extension.	1. Palmyra Research Centre under National Plantation Crops Research Agency and 2. PDB under National Extension, Education and Training Agency (NEETA) and 3 National Plantation Crops Planning &

				Production Agency 4.The National Regulating Input Supply Agency
34	Spices and Allied Products Marketing Board	Marketing support for small and medium industries	Need technical expertise to lead the entity. Therefore mere with DOEA	The National Agriculture Produce Marketing Agency
35	Sri Lanka Cashew Corporation	Research, Extension, Training, Production and marketing	To be administered under the National Plantation Research Agency as centres of excellence for Cashew - Cashew Research Centre. Extension & training functions to be administered under the National Agriculture Extension & Training Agency.	Research under National Plantation Crops Research Agency and Extension under National Extension, Education and Training Agency (NEETA) and Production under National Plantation Crops Planning & Production Agency The National Agriculture Produce Marketing Agency The National Regulating Input Supply Agency The National Agriculture Produce Marketing Agency
36	Sri Lanka Tea Board	Marketing & Promotion.	To remain as is.	The National Agriculture Produce Marketing Agency
37	Sri Lanka State Plantation Cooperation	Manage estates	Recommended for divesting to the private sector	To be aligned to relevant PP partnership.

38	Tea Small Holdings Development Authority (TSHDA)	Extension, Training.	Extension & training functions to be administered under the National Agriculture Extension & Training Agency. Planning & production to be administered under the National agency plantation crops planning & production	1.National Extension, Education and Training Agency (NEETA) ; National Plantation Crops Planning; & Production Agency Land Development Agency
39	Ceylon Fishery Harbours Corporation (CFHC)	Research, Extension	To retain as is.	National Fisheries and Aqua Culture Research Agency National Fisheries Extension and Production Planning Agency
40	Ceylon Fisheries Corporation (CFC)	Marketing		The National Agriculture Produce Marketing Agency
41	Department of Fisheries and Aquatic Resources (DFAR)	Research. Extension. Training.	To merge with a Research Divisions covering research functions of both entities and an extension Division for extension programs.	National Fisheries and Aqua Culture Research Agency National Fisheries Extension and Production Planning Agency
42	National Aquatic Resources Research and Development Agency (NARA)	Research. Extension. Training.	To merge with a Research Divisions covering research functions of both entities and an extension Division for extension programs. To be considered for transfer to the land Ministry	National Fisheries and Aqua Culture Research Agency National Fisheries Extension and Production Planning Agency
43	National Aquaculture Development Authority (NAQDA)	Research. Extension. Training.		National Fisheries and Aqua Culture Research Agency. National Fisheries Extension and Production Planning Agency

44	Department of Valuation	Valuation Training		Land Management Agency
45	Pulse Crops, Grain Research and Production Authority	Research and development activities	Functions are performed by the DOA. To be dissolved.	To be dissolved.
46	Sri Lanka Export Development Board (EDB)	Export promotion	Collaborate with national agency for marketing of agriculture produce to function for export market promotion	The National Agriculture Produce Marketing Agency
47	National Research Council	Funding research.	Remain Independent	Continue as shared service entity
48	Irrigation Department	Water management for crop production. Rehabilitation of irrigation Infrastructure .	Collaborate with National agency food crops planning & production	National Food Crops Planning & Production Agency National Agency for Water Management
49	Irrigation Management Division	Farmer organization and field channel management. Production planning	Merge IMD and MA as one body under the Department of Irrigation. Transfer the key functions to the relevant line agencies.	National Food Crops Planning & Production Agency Land Management Agency
50	Sri Lanka Mahaweli Authority	Production, water management Land management Extension. Training	Merge IMD and MA as one body under the Department of Irrigation. Transfer the key functions to the relevant line agencies	To be dissolved
51	Department of National Botanical Gardens	Research. Extension. Training. Production	Remain as is. Research and extension functions will be transferred to DOA	Research, under National Food Crops & Floriculture Research Agency and Extension under National Extension, Education and Training Agency (NEETA)

52	Industrial Technology Institute (ITI)	Research Training	Remain Independent with functional links to the National Crop Research Agency	Continue as shared service entity
53	Sri Lanka Standard Institute (SLSI)	Regulating. Training.	Remain Independent with functional links to the National Planning & Production Agency and the National Market Promotion Agency	Continue as shared service entity
54	Department of Commerce	International trade promotion	Strengthen for coordinating marketing of agriculture produce for both local and export markets.	Continue as shared service entity in close collaboration with National Agriculture Produce Marketing Agency
55	Ministry of Land, Provincial Irrigation, Agriculture, Animal Production & Animal Health and Fisheries of all 9 provinces	Conducts the same functions as the DOA, DEA, and similar entities of the Fisheries Authority and the Animal Production and Health respectively	It is recommended that the governing Council of the Directors of Agriculture of the nine Provinces be members of the proposed National agencies for agriculture plantation, spices and food crop Extension and the Fisheries Authority and the Animal Production and Health Authority respectively.	It is recommended that the Provincial Directors of Agriculture of the Provincial Councils be absorbed By the DOA

Table 7.1 concentrates on the critical evaluation of physical, financial, and human capital resources allocated to various entities involved in agriculture. By assessing the current capabilities and addressing the limitations faced by these organisations, strategic restructuring recommendations can be established to optimise resource utilisation and enhance service delivery. Efforts to strengthen physical infrastructure, ensure sufficient funding, and improve the skills of personnel will create a robust framework that supports agricultural innovation and growth.

The recommendations from Table 7.1 above are summarised in Table 7.2 below.

Table 7.2: Summary of Recommendations on Proposed Existing Entities

<p>Continue Without Reforms</p> <ol style="list-style-type: none"> 1. Rice Research & Development Institute (RRDI) -will remain as is within the F& F Authority 2. National Fertilizer Secretariat, 3. Department of Animal Production and Health (DAPH), 4. Sri Lanka Tea Board (SLTB), 5. Ceylon Fishery Harbours Corporation (CFHC), 6. Ceylon Fisheries Corporation (CFC), 7. Department of Fisheries and Aquatic Resources (DFAR) 8. National Research Council (NRC), 9. Irrigation Department (ID), 10. Industrial Technology Institute (ITI), 11. Sri Lanka Standard Institute (SLSI); 12. Department of Valuation (DOV);
<p>Continue With Reforms</p> <ol style="list-style-type: none"> 1. The Field Crops Research & Development Institute (FCRDI) 2. Fruit Research & Development Institute (FRDI) 3. Horticultural Crops Research & Development Institute (HORDI) 4. Extension & Training Centre (ETC) 5. National Agriculture Information & Communication Centre (NAICC) 6. Natural Resources Management Centre (NRMCC) 7. Seed Certification and Plant Protection Centre (SCPPC) 8. Seed & Planting Material Development Centre (SPMDC) 9. Socio-Economic Planning Centre (SEPC) 10. Department of Agraexperienced Designificantent (DOAD) 11. Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI) 12. Paddy Marketing Board 13. Sri Lanka Council for Agricultural Research Policy (SLCARP) 14. Coconut Research Institute, 15. Rubber Research Institute of Sri Lanka (RRI) 16. Tea Research Institute of Sri Lanka 17. Sugarcane Research Institute 18. Department of Export Agriculture 19. Palmyra Development Board

20. Sri Lanka Cashew Corporation
21. Tea Small Holdings Development Authority (TSHDA)
22. Department of Fisheries and Aquatic Resources (DFAR)
23. Sri Lanka Export Development Board (EDB)
24. Department of National Botanical Gardens
25. Department of Commerce
26. Agricultural & Agrarian Insurance Board
27. Paddy Marketing Board (PMB)

Merge

1. Irrigation Management Division with Irrigation Department
2. Ceylon Fertilizer Company Ltd; Colombo Commercial Fertilizer Ltd.
3. National Institute of Post-Harvest Management (NIPHM)-to merge with DOA
4. Coconut Development Authority with Coconut Cultivation Board (CCB)
5. Provincial Department of Land, Provincial Irrigation, Agriculture, Animal Production & Animal Health and Fisheries in the 9 provinces to merge with the FFA/APHA/FAA/LWA as relevant
6. Cinnamon Research Institute with Spice Research Centre
7. Palmyra Research Institute with Palmyra Development Board
8. National Aquaculture Development Authority (NAQDA) with National Aquatic Resources Research and Development Agency (NARA)
9. Hadabima – With entities in the FFA and the WLA (e.g., NRMCC)

Entities to be Aligned with related Agencies

1. Food Commissioners Department
2. National Livestock Development Board and affiliated companies
3. Spices and Allied Products Marketing Board
4. Sri Lanka State Plantation Corporation
5. Janatha Estates Development Board (JEDB)
6. National Food Promotion Board
7. Pulse Crops, Grain Research and Production Authority
8. Sri Lanka Mahaweli Authority

7. Recommendations for Follow-Up Actions Regarding the Restructuring and Reorientation of Agricultural Sector Entities - Next Steps

The organisational structure of agriculture has evolved over time, with each successive administration adding to its complexity. Numerous ministries, departments, units, and various statutory bodies have been established, with functions divided among these entities. These entities are perceived to have overlapping, often redundant, functions. The review conducted in this assignment identifies these issues. This report proposes recommendations aimed at addressing these anomalies by adopting a strategic approach that remains relevant and streamlines the system to enhance efficiency and effectiveness and contribute to overall performance.

- If the proposed recommendations are to become a reality, an implementation strategy is required to proceed with restructuring the Agriculture Sector.
- When implementing and carrying forward the recommended improvements it is vital that a high-powered entity with statutory powers is established to steer the process under the direction of the minister in charge of agriculture.
- Statutory provisions will be required to establish the proposed structure. Since enacting new laws could take a long time, the Minister may consider making amendments rather than new legislation.

8. Risks and Limitations

Various institutions accustomed to the status quo could resist implementing the proposed restructuring. Stakeholders benefiting from the current system might oppose changes in authority and modifications to existing processes. Therefore, it is essential that the MOA and PI implement a comprehensive stakeholder engagement and communication plan to align interests and build consensus.

Restructuring requires significant financial and human resources. To implement restructuring plans effectively, budgetary constraints and prioritisation issues should be addressed. Conducting a detailed cost-benefit analysis to ensure efficient resource allocation and exploring additional funding sources, including public-private partnerships (PPPs), can alleviate financial pressures. According to the cost-benefit analysis, the necessary financial allocations should flow from the National budget to the Ministry of Agriculture.

There may be insufficient expertise and technical capacity within public institutions to manage the transition. This includes the need for training and development of skills among existing personnel. Creating comprehensive training programmes and establishing transition teams to provide specialised support could bridge these gaps.

Ensuring seamless coordination and integration across newly restructured entities might be challenging. Overlapping functions and duplicated efforts could result in inefficiencies. Establishing clear operational protocols and effective governance structures to foster inter-agency collaboration and communication is key.

The restructuring requires adjustments to existing legal frameworks and regulations, which could lead to delays and complications in legislative processes. Consequently, it will be vital to consult with legal experts early in the process to pinpoint necessary legislative amendments and facilitate a smooth legal transition.

Negative public perception and a lack of stakeholder buy-in can derail restructuring efforts. Misunderstandings regarding the changes could lead to diminished trust and cooperation. Implementing a robust communication strategy to inform and engage stakeholders and the public about the benefits and necessity of the restructuring will help garner support.

The transition period may disrupt ongoing projects and services, impacting the sector's operational effectiveness and service delivery. Developing a phased implementation plan that ensures business continuity and minimises disruptions will be vital for maintaining operational stability.

9. Conclusions

Over the years, the agricultural sector's organisational structure has developed into a complex and overlapping network of organisations distributed throughout the country.

The research subsector has served the country well in ensuring food security, including plant—and animal-based foods, high-yielding planting material, and required vaccines for livestock. Smallholders and commercial producers have contributed to this achievement. The country continues to be a major exporter of quality tea and rubber.

However, the potential for food production and industrial inputs remains vast. The global markets for fresh produce, floriculture and aquaculture outputs, and organic foods remain untapped. The gap is primarily due to a lag in technology adoption. The proposed organizational structure and refined key functions and mandates are drafted to ensure that the proposed organizational hierarchy contributes to the sector's modernization vision.

The next steps will require a committed strategic change management process steered by the Ministry of Agriculture.

Annexures

Annex 1: Self-Evaluation Form - Format for Self-Evaluation

Name of the Entity:

Appointees for the Evaluation Committee of the Entity:

Name of the Head of Entity:

Email Address of the Head of the Entity:.....

Name of the Heads of the Programme:.....

Name of the Head of Finance:.....

Name of the Head of Administration & Human Resources:.....

Or

Name Head of Administration:

Name Head of Human Resources:.....

Set of Crops /Farm Animals that the Entity is responsible:

Kindly, list them in a prioritised order if applicable.

Set of Crops /Farm Animals that the Entity has been involved in 2022 and 2023: ...

Entity's Value Chain Connection

Identify, list and describe the evaluation criteria in relation to the value chain connection.

Value Chain Connection:

Table 1: Table of Contents of self-evaluation

Value Chain Connection	Evaluation Criteria		
	A Objectives	B Functions	C Responsibilities
1) Research	1A	1B	1C
2) Extension Services including	2A	2B	2C
3) Production	3A	3B	3C

4) Processing and value addition	4A	4B	4C
5) Storage & Distribution	5A	5B	5C
6) Sales and marketing	6A	6B	6C
7) Regulating Input Supplies	7A	7B	7C
8) Agriculture Insurance	8A	8B	8C
9)Regulatory and Quality Improvements	9A	9B	9C
10) Any other	10A	10B	10C

1A: Research Objectives

1B: Research Roles & Functions

1C: Research Responsibilities

2A: Extension on Objectives

2B: Extension on Roles & Functions

2C: Extension on Responsibilities

5.1 Describe the Achievements in 2023

5.2 Describe the Achievements in 2022

Institutional Strengths of the Entities

Identify, list and describe the evaluation criteria in relation to entities' institutional strengthening aspects.

Table 3: Institutional Strengths to Undertake the Evaluation Criteria

Institutional Strength	Evaluation Criteria Including their Targets		
	A) Objectives	B) Roles & Functions	C) Responsibilities
11) Legislations /Acts	11A	11B	11C
12) Human Resources	12A	12B	12C
13) Financial Resources	13A	13B	13C
14) Physical Resources	14A	14B	14C

Items highlighted may be merged and explained.

Kindly list and describe the possible aspects of your entity; as per the above grid;

11A: Legislations /Acts on Objectives
11B: Legislations /Acts on Functions
11C: Legislations /Acts on Responsibilities
Or overall summary

12A: Human Resources on Objectives
12B: Human Resources on Functions
12C: Human Resources on Responsibilities
Or Overall Summary

13A: Financial Resources on Objectives
13B: Financial Resources on Functions
13C: Financial Resources on Responsibilities
Or Overall Summary

14A: Physical Resources on Objectives
14B: Physical Resources on Functions
14C: Physical Resources on Responsibilities
Or Overall Summary

6.1 Adequacy of Legislations /Acts in Relation to Institutional Strengthening

Kindly list the available legislations /Acts of the Entity under the given subheadings.

The set of subheadings for the self-evaluation will be as follows:

11A: Legislations /Acts on Objectives
11B: Legislations /Acts on Functions
11C: Legislations /Acts on Responsibilities

Or make a summary statement on the adequacy of the Legislations /Acts in undertaking the Objectives, Roles & Functions, and Responsibilities of the Entity on Legislations /Acts.

Kindly make any concerns about the legal provisions that support or restrict the value chain connection.

Eq.: An entity may say that their legal provision for procumbent and sales are restricted

6.2 Adequacy of Human Resources in Relation to Institutional Strengthening

Kindly list the carder positions approved for the Entity in the existing categorization.

Then kindly list the currently filled (available) carder positions of the Entity in the existing categorization.

Kindly make comments on the adequacy of Human Resources.

In addition, please note that the management capacity of the Entity on human resources is to be assessed.

6.3 Adequacy of Financial Resources in Relation to Institutional Strengthening

Kindly summarise the annual budget allocation according to the existing categorization of the Entity for 2022 and 2023.

Then kindly summarise the annual expenditure according to the existing categorization of the Entity for 2022 and 2023.

Kindly make comments on the adequacy of the Financial Resources.

In addition, kindly note that the management capacity of the Entity on Financial Resources is to be assessed.

6.4 Adequacy of Physical Resources in Relation to Institutional Strengthening

Kindly list the important available Physical Resources for the Entity according to the categorisation of Physical Resources used by the Entity.

Ex: Laboratories, conference facilities, hostels, circuit bungalows, land Etc

Kindly estimate the physical resource requirements with the assessment of the current status along with the limitations in physical resources in terms of fixed assets and expendables.

Kindly list the occasions of physical resources sharing experience with others in the agriculture sector.

The Evaluation Committee of the Entity would include any other component of Institutional Strengths if felt essential.

Discuss the Decision-Making Process of the Entity

Kindly describe the process of the decision-making process of the entity.

In addition, kindly consider answering the following questions:

1. How often are the stakeholders' views incorporated in the decision-making process
2. The procedure for incorporation of stakeholders' views in the decision-making process
3. How the fresh thoughts of the staff are incorporated into the decision-making process
4. The procedure of getting the involvement of the staff members in the preparation of the Annual Budget.
5. Within the Entity kindly explain the bottom-up process of decision-making.
6. Is there a mechanism in place for staff members to contest a decision taken by the Entity?
7. Is there a procedure for a staff member to promote a particular decision within the Entity?
8. How the Entity could be strengthened to resist wrong decisions imposed by political or external forces.
9. Any other aspects of decision-making not conducive to the value chain development aspect of the Entity
10. How the Entity could combat any decisions related to preventing or slowing down the modernization of agriculture.

Discuss any Other Issues /Concerns that have not been Captured in the Given Format.

Kindly discuss any issues including the issues given in the list:

e.g.

1. Inappropriate terminology, concepts, etc. used by the Entity.
2. Highlight subsistence agriculture instead of commercial agriculture.
3. Reluctance to promote mechanisation.
4. Choice of local seeds against the importation of hybrid seeds.
5. Political influence on development activities placed in inappropriate agroecological environments.
6. Inappropriate land use on certain crops.
7. The need to strengthen local and international linkages
8. The constraints that restrict the Entity's potential for development, in addition to the issues discussed under institutional strengthening
9. Opportunities for being more effective, efficient and financially independent.
10. Inappropriate government interference in input supply and marketing including the provision of subsidies
11. Any issues related to preventing or slowing down the modernization of agriculture.

Kindly note that the issues may be explained in brief and included in the self-evaluation.

Submit the Soft Copy of the Documents by the Entities in Word Format

Kindly email the duly filled self-evaluation format to the address dharme@mqconsultants.lk while copying to addisecdev@gmail.com.

For the successful conclusion of the consultancy assignment, please make your submission well within ten working days of receiving this request.

Assistance from MG Consultants

Please note that two members of MG Consultants will visit you after having an appointment on the day your evaluation committee meets. They will be your contact persons during the self-evaluation process.

In addition, kindly inform us through the above email address if you need additional information or support from the team of MG Consultants.

Schedule Dates for Stakeholder Conferences with the Entities

Groups of 15 Entities (about 40-60 participants) who have completed self-evaluation will be invited to a conference. MG Consultants will schedule the meeting in consultation with the Head of the Entities.

Present the Self-Evaluation Document at a Workshop by the Entities

The presentation will be organised for a group of 15 Entities together. Comments and clarifications will be made by the participating Entities and by the team of MG Consultants. If any improvements to the self-evaluation are felt required at the workshop, the information will be added within two days, and the self-evaluation will be resubmitted. This workshop will be a one-day activity.

Resubmission of the Self-Evaluation by the Entities

Present Draft Recommendations to the Entities and Incorporate their Comments into the Draft Final Report

The Evaluation Committee of the Entities will be invited to participate in this conference. The comments made by the Entities will be incorporated into the Draft Recommendations.

Annex 2: List of Entities and Their Status

SN	Entities Captured in the Study	Date Sent	Email	Self-Evaluation Reports Received	Participated at the Conference
A1	Entities operate under the former Ministry of Agriculture.				
1	Agricultural & Agrarian Insurance Board	5 th March		no	no
2	Ceylon Fertilizer Company Ltd	5 th March		no	no
3	Colombo Commercial Fertilizer Ltd	5 th March		no	no
4	Department of Agrarian Development	5 th March		yes	no
5	Department of Agriculture	4 th March		Yes	yes
6	Extension & Training Centre (ETC)	4 th March		Yes	yes
7	Field Crops Research & Development Institute (FCRDI)	4 th March		Yes	yes
8	Fruit Research & Development Institute (FRDI)	4 th March		Yes	yes
9	Horticultural Crops Research & Development Institute (HCRDI)	4 th March		Yes	yes
10	National Agriculture Information & Communication Centre (NAICC)	4 th March		Yes	yes
11	Natural Resources Management Centre (NRMCC)	4 th March		Yes	yes
12	Rice Research & Development Institute (RRDI)	4 th March		Yes	yes
13	Seed & Planting Material Development Centre (SPMDC)	4 th March		Yes	yes
14	Seed Certification and Plant Protection Centre (SCPPC)	4 th March		Yes	yes
15	Socio-Economic Planning Centre (SEPC)	4 th March		Yes	yes
16	Department of Animal Production and Health	5 th March		Yes	no
17	Department of Food Commissioner, Food Commissioner's Department	20 th March		Yes	yes

18	Hector Kobbekaduwa Agrarian Research and Training Institute	5 th March	Yes	yes
19	Hadabima Authority of Sri Lanka	14 th March	yes	no
20	National Institute of Post-Harvest Management (NIPHM)	5 th march	yes	yes
21	National Livestock Development Board	5 th March	yes	yes
22	Paddy Marketing Board	5 th March	Yes	no
23	Sri Lanka Council for Agricultural Research Policy (SLCARP)	5 th March	Yes	yes
24	National Food Promotion Board	6 th March	no	no
A2	Entities operate under the former Ministry of Plantation Industries.			
25	Coconut Cultivation Board (CCD)	8 th April	yes	yes
26	Coconut Development Authority	5 th March	no	no
27	Coconut Research Institute	8 th April	yes	yes
28	Department of Export Agriculture	5 th March	no	no
29	Cinnamon Research Institute	not applicable		
30	Palmyra Development Board	5 th March	yes	yes
31	Rubber Research Institute of Sri Lanka (RRI)	5 th March	yes	yes
32	Spices and Allied Products Marketing Board	6 th March	no	no
33	Sri Lanka Cashew Corporation	6 th March	yes	yes
34	Sri Lanka Tea Board (SLTB)	6 th March	yes	yes
35	Sri Lanka State Plantation Cooperation (SLSPC)	16 th March	yes	yes
36	Sugarcane Research Institute	16 th March	yes	yes
37	Tea Research Institute of Sri Lanka	16 th March	no	no
38	Tea Small Holdings Development Authority	16 th March	yes	no
39	Tea, Rubber and Coconut Plantation Fragmentation Control Board Responsible for the	Not applicable		

	cultivation of maize required for Thripasa and animal feed			
B	Entities operate under the Ministry of Fisheries.			
40	Ceylon Fisheries Corporation (CFC)	15 th March	no	no
41	Ceylon Fishery Harbours Corporation (CFHC)	15 th March	no	No
42	Department of Fisheries and Aquatic Resources (DFAR)	15 th March	no	No
43	National Aquaculture Development Authority (NAQDA)	16 th Marck	Yes	yes
44	National Aquatic Resources Research and Development Agency (NARA)	16 th Marck	no	no
C	Entities operate under the Ministry of Finance, Economic Stabilization and National Policies.			
45	Department of Valuation	16 th Marck	no	no
46	Pulse Crops, Grain Research and Production Authority	not applicable		
47	Sri Lanka Export Development Board	21 st March	Yes	yes
D	Entities operate under the Ministry of Education.			
48	National Research Council	21 st March	no	no
E	Entities operate under the Ministry of Tourism and Land.			
49	Department of National Botanical Gardens	1 st April	Yes	no
F	Entities operate under the Ministry of Irrigation and Water Resources Management.			
50	Irrigation Department	20 th April	no	no
51	Irrigation Management Division	Sent later	no	
52	Sri Lanka Mahaweli Authority	21 st March	yes	no
G	Entities operate under the Ministry of Trade, Commerce and Food Security			
53	Industrial Technology Institute (ITI)	23 rd March	yes	yes
54	Sri Lanka Standard Institute (SLSI)	25 th March	yes	yes

55	Department of Commerce	22 nd March	yes	yes
56	National Fertilizer Secretariat	22 nd March	yes	yes
H	Entities operate under the Provincial Ministry of Agriculture (in all nine provinces)			
57	Ministry of Land, Provincial Irrigation, Agriculture, Animal Production & Animal Health and Fisheries, Sabaragamuwa Province (5 entities)	6 th March	no	no
58	Ministry of Agriculture, Irrigation, Animal Production and Health, Central Province (3 entities)	6 th March	Yes (Agriculture)	no
59	Ministry of Agriculture and Irrigation, Eastern Province (2 entities)	6 th March	no	no
60	Ministry of Agriculture, Agro Products Marketing, Animal Production and Health, Women's Affairs and Provincial Council Affairs - North Central Province (5 entities)	7 th March	Yes (Agriculture)	no
61	Ministry of Agriculture & Agrarian Services, Animal Husbandry, Irrigation, Fisheries, Water Supply and Environment, Northern Province (6 entities)	6 th March	Yes (Agriculture)	no
62	Ministry of Agriculture, Agrarian Development, Irrigation, Water Supply and Drainage, Food Supply and Distribution, Trade and Cooperatives, Southern Province (6 entities)	7 th March	no	no
63	Ministry of Agriculture, Irrigation, Animal Production and Inland Fisheries, Uva Provincial Council (4 entities)	6 th March	no	no
64	Ministry of Agriculture, Land, Irrigation, Fisheries, Animal Production & Health, Agrarian Development of Western Province (6 entities)	6 th March	Yes (Agriculture)	no
65	Ministry of Agriculture, Irrigation, Fisheries, Animal Production & Health and Agrarian Development, Northwestern Province (5 entities)	6 th March	Yes (Agriculture)	no
Contacts not Made				
29	Department of Cinnamon Development			
	The National Cinnamon Research and Training Centre, previously under the Department of Export Agriculture, was transferred to the Department of Cinnamon Development as per a Cabinet paper dated 24-01-2024.			

39	Tea, Rubber and Coconut Plantation Fragmentation Control Board Responsible for the cultivation of maize required for Thripasha and animal feed
	The Tea, Rubber, and Coconut Estates (Control of Fragmentation) Board was established under Act No: 20 of 2005 (an amendment of Act No: 2 of 1958). Its purpose is to regulate the transfer of ownership of coconut lands larger than four hectares. Additionally, for tea and rubber estates larger than 20 hectares, a certificate of consent from this board is required for fragmentation or transfer.
46	Pulse Crops, Grain Research and Production Authority
	It operates under the Field Crops Research and Development Institute in Maha-illuppallama.

Annex 3: List Of Entities Under Review

7. Department of Agriculture
8. Extension & Training Centre (ETC)
9. Field Crops Research & Development Institute (FCRDI)
10. Fruit Research & Development Institute (FRDI)
11. Horticultural Crops Research & Development Institute (HCRDI)
12. National Agriculture Information & Communication Centre (NAICC)
13. Natural Resources Management Centre (NRMCC)
14. Rice Research & Development Institute (RRDI)
15. Seed & Planting Material Development Centre (SPMDC)
16. Seed Certification and Plant Protection Centre (SCPPC)
17. Socio-Economic Planning Centre (SEPC)

18. Sri Lanka Mahaweli Authority
19. Agricultural & Agrarian Insurance Board
20. Coconut Cultivation Board (CCD)
21. Coconut Development Authority
22. Department of Export Agriculture

23. Department of Agrarian Development
24. Department of Animal Production and Health

25. Hector Kobbekaduwa Agrarian Research and Training Institute
26. Sri Lanka Council for Agricultural Research Policy (SLCARP)
27. Coconut Research Institute
28. Rubber Research Institute of Sri Lanka (RRI)
29. Sugarcane Research Institute
30. Tea Research Institute of Sri Lanka
31. National Research Council

32. Sri Lanka Tea Board
33. Sri Lanka State Plantations Cooperation
34. Tea Small Holdings Development Authority
35. Tea, Rubber and Coconut Plantation Fragmentation Control Board

36. National Aquaculture Development Authority (NAQDA)
37. National Aquatic Resources Research and Development Agency (NARA)

38. Industrial Technology Institute (ITI)
39. Sri Lanka Standard Institute (SLSI)

40. Sri Lanka Export Development Board
41. Paddy Marketing Board
42. National Food Promotion Board
43. National Fertilizer Secretariat

44. Palmyrah Development Board*

45. Institutes created by State Agricultural Corporations Act
 - a. National Livestock Development Board
 - b. Hadabima Authority of Sri Lanka
 - c. Spices and Allied Products Marketing Board
 - d. Sri Lanka Cashew Corporation
 - e. National Institute of Post-Harvest Management (NIPHM)

46. Institutes created by State Industrial Corporations Act
 - a. Ceylon Fisheries Corporation (CFC)
 - b. Ceylon Fishery Harbours Corporation (CFHC)

47. Other Government Departments Associated with Agriculture
 - a. Department of Food Commissioner
 - b. Department of Fisheries and Aquatic Resources (DFAR)
 - c. Department of Valuation
 - d. Irrigation Department
 - e. Department of Commerce

THE DEPARTMENT OF AGRICULTURE

The Department of Agriculture was created by Department of Agriculture Ordinance No. 37 of 1921 (as amended by Act No. 17 of 1935). The Ordinance permits the Minister to establish Boards to advise him on matters affecting agricultural industries in the Country.

Accordingly, the Department of Agriculture has been designed to function through an administrative structure that comprises of four (4) crop-based institutes and six (6) technical centres.

Each of these “units” are headed by Director, and comprises of public servants. The unit report ultimately to the Director General of Agriculture through an additional Director General.

11. Rice Research & Development Institute (RRDI)
12. Field Crops Research & Development Institute (FCRDI)

13. Horticultural Crops Research & Development Institute (HCRDI)
14. Fruit Research & Development Institute (FRDI)
15. Natural Resources Management Centre (NRMCC)
16. Socio-Economic Planning Centre (SEPC)
17. Extension & Training Centre (ETC)
18. National Agriculture Information & Communication Centre (NAICC)
19. Seed & Planting Material Development Centre (SPMDC)
20. Seed Certification and Plant Protection Centre (SCPPC)

Annex 4: Trade & Marketing in Value Chain

Marketing agricultural produce is currently a private sector function. Various market participants operate in different crop sectors and carry out various value chain functions, including buying, distribution, storage, processing, wholesaling, retaining, import, and export.

The government's direct involvement in marketing agricultural products gradually decreased with the shift to an open-market economy. However, this transition has left substantial public sector responsibilities in agricultural market governance and support unaddressed, as the dismantling of institutional structures has created gaps that remain to be fully rectified.

The predominantly smallholder nature of agriculture in Sri Lanka exacerbates this issue. Farmers, often dispersed across rural areas, produce modest quantities of marketable surpluses. For example, paddy surpluses held by individual farmers can range from as little as 3 metric tons to approximately 12-14 metric tons, while surpluses for other crops are generally even smaller. This fragmentation leads to high transaction costs and significantly diminishes the farmers' bargaining power, rendering them vulnerable to exploitative buying practices. These challenges are particularly pronounced when market information is lacking and when production and marketable surpluses fluctuate due to seasonal factors.

Moreover, processing in the agricultural sector often requires large-scale operations to achieve economies of scale. This necessitates maintaining substantial stockpiles, which can only be cost-effective if production levels are sufficiently high. Conversely, when production falls short of the threshold needed to realize scale economies, processing costs increase, further burdening smallholder farmers.

Besides reducing transaction costs, securing a high price in the international market through new markets and value addition is crucial for the export crop sector. Thus, the public roles in marketing-related value chain functions and the value chain development functions necessary to be carried out through government institutional mechanisms to achieve food security, increase export income, and enhance farm income can be identified as follows:

- reduce transaction cost
- reduce price volatility in the market
- regulate price fixing,
- reduce post-harvest losses,
- introduce high value markets

Accordingly, public agencies need to undertake the following value chain functions and value chain development functions as public roles.

1. Integrating smallholder farmers into more competitive and sustainable value chains
2. Market Intelligence
3. Market Regulation: Government Price setting (ex. GPS), Regulation of prices in the domestic market through direct purchasing to the guaranteed price and maintaining stocks and releasing stocks to processors, Ensuring quality, Regulation of marketing procedure (ex. Colombo Tea Auction)

4. Developing market infrastructure: Markets (ex. Dedicated Economic Centers), Storage facilities
5. Facilitating Access to International Markets (ex. New/niche markets, Standards, Trade Negotiations,)
6. Marketing research
7. Post-harvest Management

Institutional capacity of the public sector to perform those functions are evaluated by this analysis

Method of Analysis

The focus of the analytical method is to assess the effectiveness of public entities in carrying out the identified value chain functions and value chain development functions that address marketing issues in crop sub-sectors. The extent to which the public agencies or entities executing these functions are evaluated is contingent upon the relevance of their roles and responsibilities as outlined by their mandates, the effectiveness of the strategies they employ in carrying out these specific functions, and their success in achieving established targets. Through this evaluation, the overall gaps in institutional capacity to fulfil public roles, the effectiveness of the private sector in performing certain public roles compared to the public sector, the necessity for public-private partnerships, shortcomings in the mandates of relevant institutes, deficiencies in resource management, and opportunities for resource sharing, among other aspects, are identified.

Food crop sub sectors Analysis

Marketing issues in the sector

Paddy/Rice

- Small scale producers
- Distinct regional paddy markets are found; Polonnaruwa based regional paddy market, Hambantota based regional paddy market, and other areas

The paddy market in Sri Lanka features distinct regional paddy markets based on the concentration of rice mills and procurement behaviours in various areas. The largest regional market is centred in Polonnaruwa, where large-scale milling predominates, particularly near Thamankaduwa and Hingurakgoda, which receive supplies from major paddy producing areas in Polonnaruwa, Ampara, Anuradhapura, and Kurunegala, including the- Mahaweli regions. Another significant market is Hambantota, characterised by medium-sized mills distributed across key production areas. Unlike Polonnaruwa, farmers often deliver their paddy directly to millers, thereby eliminating the need for collectors.

- Middlemen market power due to asymmetry in the paddy market: large millers and small farmers with less bargaining power.
- Economies of scale in the milling industry and yet a larger SME sector
- Vertically integrated markets to compete with traditional markets

Other field crops

Maize & Soya

- The key ingredients for animal feed production and is used in commercial cereal food Production and Thripasha. Therefore limited value addition at producer level
- Imports require permits, while the farm gate price is influenced by fluctuations in supply and demand within the animal feed industry.
- Buyer dominant market 30 animal feed manufacturers registered with DAPH (one registered large-scale animal feed manufacturer that produces more than 10,000 Metric Tons of animal feed a month) alongside manifold non- registered self- mixers.
- Both contracted farmers working with large manufacturers of animal feed and cereal food producers, as well as farmers supplying mainly to animal feed self-mixers in the open market.
- Quality parameter is a concern of buyers

Chilli, Onion, Potato and other

- Total dependence on dry chilli imports
- Green chilli
- Imports during harvesting season

Vegetable &Fruits

- The most perishable product market
- Price volatility
- Lack of market Access and middlemen Exploitation,
- Inefficient Marketing Infrastructure market infrastructure,
- Lack of integration between farmers and markets.
- Dedicated economic centers serve the major marketing infrastructure for vegetables Embilipitiya and Colombo main market for fruits
- Significant post-harvest losses
- Direct marketing from farmer to supermarkets is on the rise

Institutes performing value chain functions and value chain development functions in the food crop sector

Functions / Tasks	Rice	OFC (Maize/Potato/...)	Fruits & Vegetables
Integrating smallholder farmers into more competitive and sustainable value chains (Training & Awareness, Public-Private Partnerships, Contractual agreements,...)	HARTI	DOA, HARTI, Central Bank, Ministry, Projects	DOA, HARTI, Central Bank, Ministry, Projects
Developing market infrastructure			

Markets (ex. Dedicated Economic Centers)	Ministry of Trade, Local Authorities		
Storage	PMB, DFoodCm	DFoodCm	
Market Intelligence	HARTI, DOA	HARTI, DOA	HARTI, DOA
Market Regulation Government Price setting (ex. GPS) Regulation of prices in the domestic market through direct purchasing to the guaranteed price and maintaining stocks and releasing stocks to processors Ensuring quality Regulation of marketing procedure (ex. Colombo Tea Auction)	Ministry PMB		
Facilitating Access to International Markets (New markets, Standards, Trade Negotiations,...)			EDB, Department of Commerce, SLSI
Marketing Research	HARTI		
Post-harvest Management and food processing	IPHT	IPHT	IPHT, FRDI, FRI/HORDI

Evaluation of Marketing related functions performed by public institute

The extent to which public agencies or the entities performing these functions are evaluated relates to the relevance of their roles and responsibilities as mandated, the effectiveness of the strategies they adopt in carrying out specific functions, and the extent to which the institutes have succeeded in achieving their targets.

MAHAWELI AUTHORITY

The Mahaweli Authority, established by Act No. 23 of 1979 as the administrative body for the special Mahaweli area, has been granted powers to promote, undertake, and participate in agro-based or related industrial or commercial enterprises. It also provides marketing services for the purchase, storage, processing, and sale of agricultural and other produce. Farmers' Organisations (FOs) have been established in areas under the Mahaweli Authority and are recognised as legal entities by the Agricultural Development Act No. 46 of 2000. Strengthening existing FOs and fostering new ones is a vital function. Although FOs are involved in irrigation management activities, they are not engaged in marketing activities, particularly for the region's major produce, paddy. Since 2009, approximately 43 warehouses owned by the Authority have been utilised by the Paddy Marketing Board.

Part of the business activities carried out by the Mahaweli Authority of Sri Lanka under the Companies Act have been transferred to the private companies for management. Mahaweli

Livestock & Agro Enterprises (Pvt.) Ltd, Mahaweli Consultancy Bureau (Pvt.) Ltd, Natural Resources Management Services (Pvt.) Ltd. Mahaweli Livestock & Agro Enterprises (Pvt.) Ltd collect milk from dairy farmers in the region, carrying out dairy related activities and marketing of those products in the Mahaweli region and surrounding areas.

IRRIGATION MANAGEMENT DIVISION OF THE MINISTRY

This division is primarily responsible for establishing and strengthening farmer-based institutions in 54 major irrigation schemes. Its goal is to improve participatory operation and maintenance of irrigation subsystems, which will increase agricultural production and water productivity per unit of water. This will also enhance the knowledge and skills of the farming community and uplift their livelihood. The geographical coverage of this Integrated Management of Agriculture Settlement overlaps the interprovincial area under the Department of Agriculture. The main objective is to establish a self-reliant farming community in irrigated agricultural areas.

It aims to implement a participatory approach through the active involvement of beneficiaries and farmer representatives. The approach will incorporate state and non-governmental officials, as well as the private sector, to achieve sustainable economic development within the farming community of an irrigation settlement by enhancing the productivity of a unit of water. However, marketing is not a significant function in practice.

DOAD (DEPARTMENT OF AGRARIAN DEVELOPMENT)

Integrating smallholder farmers into more competitive and sustainable value chains in areas other than those covered by Mahaweli, a major irrigation scheme, or in any region under the authority of a public corporation has been entrusted to the Department of Agrarian Development as stipulated in the Agricultural Development Act No. 46 of 2000. This Agrarian Development Act empowers the establishment of Agrarian Development Councils for each agrarian centre, with one representative from each farmers' organisation, which has the authority to form Farmers' People's Companies. These companies, registered with the Registrar of Companies, can purchase shares and support farmers in maintaining a farmers' marketplace. Although the legal framework offers useful mechanisms and systems to facilitate and strengthen farmers' organisations—such as provisions for linking these organisations with district development councils, the formation of district and national federations, and sound administrative systems—these have yet to be implemented, leaving farmers' organisations weak.

PMB

The PMB intervenes in the market by regulating the prices of paddy and rice in the domestic market through direct purchases at the guaranteed price, as well as maintaining and releasing stocks to millers. Through its mandated powers, it has been entrusted with the purchase, storage, and marketing of paddy and rice to satisfy both producers and consumers and to develop and maintain storage facilities. However, decisions regarding the purchasing and releasing of stocks to the market are made at the discretion of the ministry. The re-established

institution, burdened with significant liabilities, faces challenges in timely intervention for market stabilisation, hindered by a lack of market information and funds to purchase paddy.

HARTI

HARTI was established with a broad mandate to coordinate and undertake agrarian research and training activities in collaboration with Asian countries for agrarian development and modernisation. The primary functions of the institute include knowledge generation and timely dissemination to enhance the effectiveness of the policy process, designing rural development models through action research, increasing the capacity of rural development stakeholders via training, and improving market intelligence for stakeholders along the supply chain. As outlined in the Act, “It shall be the duty of the Institute to advise the Minister on any or all matters referred to the objectives of the Act and on any other matter that may be referred to the Institute for advice by the Minister.”

HARTI’s main public roles in value chain development (agricultural development) are to guide policymakers with evidence by providing data, information, and analytical reports. Particularly in decision-making at the ministry level, HARTI is responsible to provide accurate and timely information. HARTI also involved in promoting the integration of smallholders into larger value chains by conducting training & awareness and developing market linkages between rural farmer and supermarkets. Market intelligence through mobile applications is a regular activity of HARTI.

DEDICATED ECONOMIC CENTERS (Public-Private Trust)

The objective of establishing dedicated economic centers island-wide is to create a market network that connects the main producer areas and consumer areas, particularly for vegetables, fruits, and other field crops. This network will ensure a fair price for farmer products in rural areas as a marketing promotion strategy and also provide consumers with the opportunity to buy goods and food items at a reasonable price. At present, 18 economic centers have been established, and 13 centers are currently in operation.

The functions of the public sector encompass providing essential infrastructure facilities for the effective operation of dedicated economic centres, offering the legal advice necessary for their proper functioning, as well as follow-up and evaluation. These centres are managed by a Management Trust Board established for each centre under the direct supervision of the Ministry. The Chairman of the Management Trust is the district secretary, and the secretary is the relevant divisional secretary. Furthermore, this trust is comprised of representatives from trade associations, farmer organisations, and public institutions. consists

RURAL DEVELOPMENT BANK

Warehouse Receipts financing, managed by RDB, serves the dual purpose of providing a value chain service to farmers through warehousing and facilitating access to credit against stored produce. A negotiable warehouse receipts system enables farmers to secure loans from banks and mitigates challenges in selling agricultural commodities. Negotiable warehouse receipts permit the transfer of ownership of any agricultural commodity stored in a warehouse without necessitating the physical delivery of the commodity. This mechanism allows farmers

to achieve higher income during the off-season compared to the prices they might receive for their products during the harvesting periods.

CONSUMER AFFAIRS AUTHORITY

The Consumer Affairs Authority of Sri Lanka (CAA) is responsible for ensuring fair market competition and protecting consumers' interests, including fair trade. The CAA was established in 2003 by the Consumer Affairs Authority Act, which repealed the Fair-Trading Commission Act of 1987 and other acts. The CAA's functions include investigating and making recommendations on competitive practices, seeking redress against unfair trade practices, undertaking studies on the distribution of goods and services, regulating the pricing mechanism, including maximum prices for goods, and regulating the standards and specifications of goods.

The government has a role in regulating markets to avoid unfair competition, which can affect the producer and the consumer because of the market's middleman operation and structure. Yet the Consumer Affairs Authority (CAA) 's main interventions lie on the consumer side of the market, according to the power vested in the authority.

MINISTRY OF AGRICULTURE

Government Price setting (ex. GPS, floor prices) and essential food import decisions are .g.,porant functions th,at are undertaken by the ministry in regulatintg market for t objective of food security in the countr they. These decisions are taken at a committee comprised of various government officials from respective ministries, Food Security Meeting. The information needed to take the decithe sions is supplied mainly by institute like HARTI.mThe food information system developed at HARTI wisth the support of FAO is an important analytical tool for such short-term decisithe on at the ministry.

In the absence ofmaking a dedicated government sentity to facilitate public-private partnerships (PPPs) and agricultural contractual agreements, the Ministry collaborates with private partners on initiatives that integrate smallholder farmers into supply chains. An example is the Forward Sales Contract program for maize farmers, facilitated by the Ministry, the Central Bank, and the private sector to support Prima's animal feed production program. Since foreign-funded projects are mostly implemented at the ministry level, sustainability challenges arise because these foreign-funded PPPs are often time-limited and managed centrally by the Ministry, making continuity and longer-term success difficult after project funding ends.

FOOD COMMISSIONER DEPARTMENT (DISSOLVED)

One of the department's primary functions is maintaining an 8,000 MT special rice buffer stock as per the Colombo Declaration and the 16th Conference of the South Asian the time of emergency situations, the distribution of essential food for the public without any shortage is carried out under the patronage of the Food Commissioner's Department by maintenance of 100,000 MT of rice buffer stock at the islandwide Food Department warehouses as per the Cabinet Decision dated 27/08/2008.

Under this programme, food is distributed among all districts in the country. In addition, warehouse facilities are rented to the private sector. In 2020, a project to reduce post-harvest loss by 40% was implemented. Construction of the temperature—and humidity-controlled store complex is funded by the Indian Government.

DEPARTMENT OF COMMERCE – fruits and vegetables, fish, tea, spices

Conduct negotiations to secure market access by obtaining tariff concessions under non-reciprocal preferential trade agreements, such as the Generalised System of Preferences (GSPs), for Sri Lanka's exports.

Conduct negotiations to obtain preferential market access for Sri Lanka's exports through regional reciprocal trade agreements, such as Free Trade Agreements (FTAs) and Regional Trading Arrangements (RTAs).

Conducting negotiations to secure preferential market access for Sri Lanka's exports under bilateral reciprocal trade agreements, such as Free Trade Agreements (FTAs) and Regional Trading Arrangements (RTAs).

NATIONAL INSTITUTE OF POST-HARVEST MANAGEMENT | NIPHM

The National Institute of Post-Harvest Management (NIPHM), operating under the Ministry of Agriculture, serves as the principal institution in Sri Lanka dedicated to enhancing the post-harvest technology of rice, other grains, field crops, fruits and vegetables, and spices through research, training and extension, consultancy, advisory services, and various development activities. The NIPHM was established on 19th June 2000 by Extraordinary Gazette No. 1137/10, under the provisions of the State Agricultural Corporations Act No. 11 of 1972. The Institute has assumed the functions of the Rice Processing Research and Development Centre (RPRDC) of the Paddy Marketing Board, which was established with FAO/UNDP assistance in 1976.

National Food Promotion Board (NFPB)

The National Food Promotion Board, previously known as the Sri Lanka National Freedom from Hunger Campaign Board and established by an Act of Parliament in 1973, is presently involved in the production of value-added food products, extruded cereal products, underutilised fruit drinks, purchasing traditional grains from farmers, and directly implementing various community development activities aimed at alleviating poverty among the most vulnerable and marginalised groups.

Synthesis

Legislative provisions for integrating smallholder farmers into more competitive and sustainable value chains, providing market intelligence to avoid information asymmetry, regulating markets for competition and fair trade, protecting vulnerable groups, correcting market failures, ensuring quality, developing market infrastructure, facilitating access to international markets, promoting value-added processing activities, managing post-harvest procedures, and undertaking marketing research are important functions that

The existing legislative provisions under the Agrarian Development Act and the Cooperative Societies Law are designed to enable small farmers to organise themselves for collective marketing, thereby enhancing market access and bargaining power through farmer organisations, people's companies, and cooperative societies. These farmer groups engage in various activities such as input supply, credit provision, value addition, and marketing. The Mahaweli Authority, IMD, and DOAD are the three government entities entrusted with establishing farmer organisations within the food crop sector. The farmer organisations situated in irrigation schemes primarily manage irrigation as their main function.

The Agrarian Development Act aims to empower the farming community to evolve into farmer companies capable of collaborating with agribusinesses on marketing activities, akin to how farmer groups manage marketing tasks in other countries. However, in most cases, these legal provisions have proven largely ineffective in practice, failing to achieve the intended goals for various reasons. Farmers' Organisations (FOs) have been established with the support of various facilitating organisations, but once this external support is withdrawn, many of these FOs falter due to a lack of self-sustaining capacity. A gap in human resources exists at the Department of Agriculture and Development (DOAD) when one examines its human resource profile. Agrarian commissioners possess limited technical knowledge and expertise in areas such as agriculture and agribusiness development marketing.

Alternatively, contract farming and forward sales agreements have emerged as more promising institutional arrangements for integrating smallholder farmers into competitive value chains. Farmers participating in a contract farming agreement receive a better price than those not involved in such agreements. Despite this success, there is currently no comprehensive institutional framework at the national level to support contract farming. Although various institutions independently undertake functions such as training, raising awareness, and fostering public-private partnerships (PPPs), these efforts lack coordination. For instance, the maize contract farming system was initiated by the Central Bank in collaboration with the Ministry of Agriculture, while HARTI conducts training and awareness programmes to connect smallholders with supermarkets. Some farmer organisations are collaborating with NGOs and agribusiness companies, acting as intermediaries to facilitate contract farming arrangements between farmers and these companies.

One of HARTI's primary functions is to provide market information to stakeholders in the marketing sector and to policymakers, aiding them in making decisions regarding the regulation of product market supplies and prices. This collaborative effort involves gathering information from various agencies, including the SEPC of DOA, the Ministry of Trade, and others. Establishing a virtual framework for collaborative work enhances the effectiveness and credibility of the Market Information System.

To regulate the agricultural market and ensure fairness, protect vulnerable groups, or address market failures, government intervention may be necessary at specific points along the value chain where genuine competition exists. Poor infrastructure, insufficient market information, or monopolistic buyers (oligopsony) can impede competition and lead to lower farm gate prices. As prices are transmitted along the value chain—from producers to wholesalers, processors, and consumers—the level of competition at each stage—such as in wholesale

markets, transportation, and retail—affects how prices and profits are allocated. Oligopolistic control at any stage, particularly by large processors or distributors, can distort competition and result in price manipulation.

The National Agriculture Market (e-NAM) in India is an online platform launched in 2016 to unify agricultural markets across the country. It connects Agricultural Produce Market Committees (APMCs) from various states, enabling farmers to list and auction their produce for buyers nationwide. The primary objectives of e-NAM are to enhance transparency, eliminate intermediaries, and assist farmers in obtaining fair prices through competitive online bidding processes.

After registering, farmers post details of their produce—type, quantity, and expected price—while licensed traders engage in time-sensitive auctions. This system facilitates direct, transparent transactions where the highest bid prevails, with payments processed electronically to the farmers' bank accounts. Moreover, e-NAM incorporates quality testing, logistics, and storage facilities, enhancing market efficiency and lowering handling costs for both farmers and buyers.

Despite its advantages, e-NAM encounters challenges, such as limited digital infrastructure in rural areas, resistance to changes in traditional market practices, and the necessity for uniform regulation across states. The platform's future prospects involve integrating more APMC markets, enhancing logistics support, and possibly linking with international markets to further assist farmers and rural economies.

Annex 5: Self-evaluation tables on Acts and mandates

ENTITY / INSTITUTE : 1. Industrial Technology Institute		
RESPONSIBLE SECTORS: All Food items and food crops including rice, field crops, fruits, vegetables, root crops, spices		
Ordinance/ LEGISLATIONS / ACTS <p>The Industrial Technology Institute (ITI) is a statutory board, was established on 01st April 1998 under the Science and Technology Act No. 11 of 1994. It is the successor to the Ceylon Institute of Scientific and Industrial Research (CISIR), which was established in 1955 under the Parliament Act No 15 of 1955 (CISIR Act), with the objective of supporting industrial development in the country. ITI is a government owned multidisciplinary R&D institution, which conducts demand-driven R&D and internationally competitive technical services.</p>		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Research- <ul style="list-style-type: none"> Value addition Quality management Advisory service Ext Extension <ul style="list-style-type: none"> Certification Analytical services 	<p>(a) To support industry by -</p> <p>(i) undertaking on-contract, testing, investigation, and research, for improving product quality technical processes and methods used in the industry, and for discovering new processes and methods to be used in the industry.</p> <p>(ii) providing technical services and consultancies,</p> <p>(iii) engaging in activities connected with technology transfers, the adaptation of technologies and the development of new technologies.</p> <p>(b) To conduct research with a view to accelerating industrial technology development.</p>	<p>To elevate the level of technology in Sri Lanka to the level required for rapid industrialization.</p> <p>To conduct R&D activities in line with objectives and functions as stated in the ITI Act in accordance with National Policy and National Priorities and Industry requirements. The Technology Institute shall be demand driven and as such ITI R&D efforts focus on addressing critical issues, seizing potential opportunities for innovation and improvement. The key responsibilities of ITI's R&D efforts in the agriculture value chain:</p> <ul style="list-style-type: none"> <u>Identifying Challenges and Opportunities</u> via a comprehensive analysis

	<p>(c) To collect, process, and disseminate useful technical information -, in particular on “shelf technology”- with a view to accelerating industrial development.</p> <p>(d) To undertake training of persons in areas related to the experience of the Technology Institute.</p> <p>(e) To undertake / collaborate in the survey and monitoring of environmental pollution and to recommend remedial measures to mitigate such pollution.</p> <p>(f) To co-operate with government departments and institutions universities technical colleges and other bodies in demand-driven research to promote industrial technology development.</p>	<p>of the sector, including assessment of production constraints, market dynamics, and technological gaps including</p> <ul style="list-style-type: none"> the needs and priorities of farmers, agribusinesses, and other stakeholders <u>Conducting Applied Research:</u> <p>To develop practical solutions and technologies via interdisciplinary approaches to tackle complex problems related to specific needs of the industrial sector including agriculture</p> <p><u>Develop Innovative Technologies:</u></p> <p>To enhance efficiency, sustainability, and resilience of agricultural produce - pre-and post-harvest management practices, harvesting operations, quality and food safety management, and value addition.</p> <p><u>Promoting Technology Transfer and Adoption:</u></p> <ul style="list-style-type: none"> within the agriculture sector. <u>Disseminating information, knowledge, and best practices</u> via existing/ongoing agri-extension services, training programs,
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		<p>workshops, seminars, and publications.</p> <ul style="list-style-type: none"> • <u>Ensuring that innovative technologies reach and are adopted by end users.</u> • Collaboration with government agencies, agricultural extension workers, farmer organizations, and other stakeholders. • <u>Fostering Collaboration and Partnerships:</u> • With government agencies, research institutions, universities, private sector companies, non-governmental organizations, and international development partners. • to maximize impact and reach across the agriculture value chain. • <u>Monitoring and Evaluation:</u> • Collecting and analysing sectoral data on key performance indicators to assess outcomes and impacts of R&D activities. • <u>To contribute to enhancing food security & safety and reducing poverty,</u>
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		ITI q quality management system functions based on the ITI Quality Policy.
<p><u>Analysis/ Insights</u></p> <p>The ITI works in accordance with its Act and prescribed mandate. With the proven ability to generate up to 60% of its recurrent expenditure ,ITI needs to be recognized as a strategic business unit (SBU) with ability to attract international funding for research programmes. Revision of the ITI Act and cadre allocations are required to enhance the operation of the Institute to contribute more effectively to the national economy. The original central location of the ITI in Colombo, enables ready access to industry stakeholders and affords proximity to the University of Colombo. An official link between the University of Colombo with its bank of human resources and the ITI with its accredited laboratories and industry links, should be linked to expand and enhance outputs and outcomes of the research and development activities of both entities and their contribution to national economic growth.</p>		

ENTITY / INSTITUTE : 2. Sri Lanka Tea Board		
RESPONSIBLE SECTORS: Tea		
Ordinance/ LEGISLATIONS / ACTS Established in 1976 as a fully government owned statutory institution by an Act of Parliament, the Sri Lanka Tea Board (SLTB) comprises representatives from both private and government bodies involved in the industry, including cultivators and manufacturers, traders, exporters and plantation employees.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Production	To increase the tea production by 350Mn kg by 2027 and 400Mnkg by 2030.	Ensure the tea plant requirement <ul style="list-style-type: none"> • Establishment of tea nurseries • Assistances to maintaining existing nurseries • Establishment of proper network of growers and tea nurseries. -Enhance tea land productivity <ul style="list-style-type: none"> • Increase infilling • Increase Replanting • Increase new planting (Moving tea plantations to Wayamba region, Gampaha and Kalutara district by introducing intercropping with coconut cultivation. -Increase tea land productivity through land Management <ul style="list-style-type: none"> • High shade Management • Enhance soil fertility

		<ul style="list-style-type: none"> • Development of efficient water Management system for tea lands. • Increase GAP application in tea lands. • Increase availability of fertilizer for tea lands.
Extension services including training	<p>i.To upgrade the human factor covers the entire tea value chain for the development and maintenance of tea plantations and tea factories.</p> <p>(Sri Lanka Tea Board Law, No 14 of 1975</p> <p>And Tea Control Act, No 51 of 1957)</p>	<p>- Advisory and extension programmes to estate owners, green tea leaf dealers, and tea manufacturers etc.</p> <p>- Conduct advisory and extension services along with different subsidy schemes.</p> <p>e.g. FMSS, TRSS, Nurseries etc.</p>
	To upgrade, refresh and motivation of SLTB employees.	-- Conduct awareness and training programmes both local and foreign.
	Increase facilitation for new entrepreneurs in the industry with new innovations	<ul style="list-style-type: none"> • Introduce new Artisanal/Specialty & value added Teas producers • Financial assistance for artisanal tea producers to upgrade their standards
Processing & value addition	<p>i. To increase diversify value added tea exports up to 45% by volume and revenue target by 55%</p>	<p>-Financial assistance for upgrading or modernizing of tea export Packaging Factories</p> <p>-5% Incentive Scheme for value added teas (Less 3KG)</p> <p>-Product Innovations and Diversification Scheme</p>
		Global Surveillance of Lion Logo

	ii. Obtain Geographical Indication (GI) rights for Ceylon Tea by 2024-2025	and Infringements
		Strengthening the uniqueness of Ceylon tea
Regulatory and Quality Improvements (indirectly engage in regulatory and quality improvement activities)	i. Streamline the process up to the Auction	<ul style="list-style-type: none"> • Registration of tea lands • Registration and Monitoring of Green Tea Dealers • Registration and Monitoring of Tea Manufactures • Budgeted Amount (Rs.Mn) 10 15 - Registration and Monitoring of Green Tea Dealers No of Registration and renewals 1500 1600 1600 Registration and Monitoring of Tea Manufactures No of Registration and renewals 698 700 700 R • Registration and Monitoring of Refused Tea processing centers • Special investigation with STF & Police • TTO inspections at factories, dealers and sales of refused tea • Regional office inspections • Refused tea monitoring program • Centre inspection for RT centers • GMP inspection at RT centers • Monitoring of purchasing and sales of refuse tea
	To streamline the process from Auction to the shipment level	<ul style="list-style-type: none"> • Registration and Renewal of Tea Brokers • Registration and Renewal of Warehouses

		<ul style="list-style-type: none"> • Registration and Renewal of Exporters • Registration and Renewal of Packers • Registration and Renewal of Local packers • Registration and Monitoring of Importers • Issue of Import Permit • Issuing quality certificates on shipment standards • Issuing free sale certificate • Exporter/Local packer inspection. Quality of Local Packs • Basic GMP Audit • Auction random sample Collection • Withdrawal of low quality tea lots(Export Section +TTU) • Number of CUSDEC lodgment Registration • Sample drawing Pre-Shipment/Pre-Import/Retrieval • GSP authorization for green tea exports • Online shipment authorization (CUSDEC approval) • SLTB & Sri Lanka customs joint inspection • Imported Tea offer and unloading sample collection • Re-sale, re-catalogue, Tea Transfer sample collection
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		<ul style="list-style-type: none"> • Pre Shipment, Pre Auction samples for laboratory analysis • Checking of Duplication of lines of tea in the blend Sheet
	To convert leaf quality standards into best leaf level to 60% of all factories in 2025	<ul style="list-style-type: none"> - Implementation of “B-Leaf 60% -Facilitating for obtaining quality certification for factories <ul style="list-style-type: none"> • Assisted scheme for HACCP certification program • Financial assistance for Factory Modernization of average GMP factories - Strengthening monitoring system <ul style="list-style-type: none"> • GMP inspections at factory level and dealer level - Upgrading quality standards at warehouses - upgrading quality standards at exporter level
	To enhance the testing capacities and performance in 10% annually (base year 2022)	<ul style="list-style-type: none"> - Enhancing testing facilities <ul style="list-style-type: none"> • Strengthening existing testing facilities • New testing method Development in Tea • New testing method Implementation
	Strengthening the tasting facilities and capacities	<ul style="list-style-type: none"> - Maintaining quality of exporting tea quality checking at tasting unit
	Promoting green energy in tea factories and warehouses	<ul style="list-style-type: none"> -Interest subsidy for solar energy installation for Tea Factories and Warehouses

Research and Market research and Marketing	i. Improve the Quality and Safety of Tea and Tea derived product ii. Increase annual tea production iii. Improving the sustainability of tea industry in Sri Lanka	-Initiate research projects dedicated for each objective with the help of relevant research institutes and Universities. <ul style="list-style-type: none"> • Allocate and approve required funds • Conduct research • Coordinate research team • Take necessary actions based on research outcome
	iv. Conduct market research to find the consumer behavior and trends of tea markets	<ul style="list-style-type: none"> • Market Research and other Marketing support services
	i.To increase the awareness of sustainable practices in the tea industry to the global markets	-Programs with Embassies (selected markets only) - Facilitate exporters for own brand promotions through brand promotion -Trade fair participation
Plantation Community Development	To ensure that all growers receive 100% of the benefit for their quality green tea leaf	-Reasonable price payment inspection at green tea dealers(D29) - Monitoring of Reasonable price payment (BL2) at factory level
	Enhance the dignity of tea pluckers to retain workers in the industry	-Introduce uniform for tea pluckers <ul style="list-style-type: none"> • Model project through established model tea lands
<u>Analysis/ Insights</u> The Tea Board is the apex regulatory and administrative body of the Sri Lankan tea industry carrying out the wide variety of functions with respect to the industry as per the its mandate and the Act that governs it.		

ENTITY / INSTITUTE : 3. National Fertilizer Secretariat		
RESPONSIBLE SECTORS: Cuts across all crops and animal feed production		
Ordinance/ LEGISLATIONS / ACTS The National Fertilizer Secretariat is the entity regulating and implementing the Fertilizer Regulating Act No.68 of 1988. The following sub-activities are carried out to implement the activities under the power vested by the act accordingly.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Regulating Input Supplies	Regulating fertilizer imports: As per the Fertilizer Regulation Act of No.68 of 1988, all fertilizer imports to the country should comply with SL standards or UK standards.	<ul style="list-style-type: none"> • Warehouse inspection for importers registration. • Issuing license for importation. • Issuing of pre-shipment approvals for importation considering manufacturer's certificates and international accredited analysis report. • Issuing a letter for clearing the cargo from customs. • Inspection of fertilizer importation cargo • Drawing of samples (shipments-wise) from imported fertilizers as per approved methods. (SLS 559:1982) • Submitting fertilizer samples to accredited laboratories. • Obtaining analysis reports from laboratories. • Issuing of marketing approvals confirming with accepted standards. • Renewal of import license following the same procedure described above

Any Other	<p>Regulating fertilizer manufacturing</p> <p>As per the Fertilizer Regulation Act of No.68 of 1988 all organic and inorganic fertilizer products in the country should be complied with SL standards.</p>	<ul style="list-style-type: none"> • Manufacturing site inspection and drawing samples. • Submitting fertilizer samples to accredited laboratories. • Obtaining analysis reports from laboratories. • Issuing licenses to the manufacturers. • Samples drawing (batch-wise) from manufactured fertilizers. • Submitting fertilizer samples to accredited laboratories. • Obtaining analysis reports from laboratories. • Issuing of marketing approvals confirming with accepted standards. • Renewal of manufacturing license following the same procedure described above
	<p>Regulating fertilizer Formulating</p> <p>As per the Fertilizer Regulating Act of No.68 of 1988, all formulated fertilizers should comply with SL standards.</p>	<ul style="list-style-type: none"> • Formulating site inspection and drawing formulated fertilizer samples. • Submitting fertilizer samples to accredited laboratories. • Obtaining analysis reports from laboratories. • Issuing formulation licenses to the formulators. • Sample drawing of manufactured fertilizers. • Submitting fertilizer samples to accredited laboratories. • Obtaining analysis reports from laboratories. • Issuing of marketing approvals confirming accepted standards

		<ul style="list-style-type: none"> • Renewal of formulating license following the same procedure described above
	Quality assurance of fertilizer	<ul style="list-style-type: none"> • Quality assurance before loading based on international analytical reports • Drawing samples after unloading to compare analytical reports with accepted standards • Drawing samples from fields (dealer points) compare analytical reports with accepted standards • Drawing samples from manufacturers' sites compare analytical reports with accepted standards • Regulating procedures after analyzing the laboratory reports • Taking technical instructions from the Fertilizer Advisory Committee (FAC) when necessary
	Management of the fertilizer distribution process	<ul style="list-style-type: none"> • Obtaining recommendations from relevant crop research institutes • Obtaining cultivation targets from relevant institutes • Calculating fertilizer requirements crop-wise • Preparing distribution plan for paddy • Implementing the paddy distribution plan • Assuring fertilizer availability for other crops as per the requirements
	Information management for decision-making	<ul style="list-style-type: none"> • Collecting and updating the data (weekly/monthly/seasonally/annually) • Data analyzing • Preparing reports • Sharing data with the stakeholders

Analysis/ Insights

This entity functions satisfactorily according to the Act and mandate conferred upon it.

ENTITY / INSTITUTE : 4. SRI LANKA STANDARDS INSTITUTE (SLSI)

RESPONSIBLE SECTORS:

Establishment of standards. Chemical, Food and Microbiological testing, as well as Material Testing

Ordinance/ LEGISLATIONS / ACTS

Sri Lanka Standards Institution (SLSI) is the National Standards Body of Sri Lanka. The original Bureau of Ceylon Standards Act No. 38 of 1964 was repealed and replaced by the Sri Lanka Standards Institution Act No. 6 of 1984.

SLSI prioritizes accreditation of laboratory units for Chemical, Food and Microbiological testing, as well as Material Testing, with the ISO 17025 Standard by the SWEDAC – Sweden Accreditation Board. Certificates issued by these laboratories are internationally recognized. These schemes are also accredited by SLAB. Senior staff of the division serve other organizations through active participation at meetings of other organizations such as the Ministry of Agriculture, National Fertilizer Secretariat, Export Development Board, Ministry of Health, Spice Council and other Ministries, Departments, Authorities, etc.

VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
1) Research 2) Extension Services including Training 3) Production 4) Processing and value addition	<ul style="list-style-type: none"> Monitoring and contributing to international and regional developments in standardization Providing information on standards and 	<u>Formulation of National Standards –</u> These standards are classified as Specifications, Test Methods, Code of Practices, Glossaries and Terms, Symbols, Management systems etc. and cover Food products and safety, Irrigation, Fertilizers and soil conditioners, Soil quality, Feed machinery and animal feeding stuffs, Tractors and machinery for agriculture,

5) Storage & Distribution	related conformity assessment issues	Environmental impact, Protective clothing and Agricultural electronics.
6) Sales and marketing	<ul style="list-style-type: none"> Raising awareness and promoting the importance of standards and quality infrastructure 	<p><u>Product Certification (SLS Marks Scheme)</u> - Is an effective way of implementing standards and is popular among local industries. It gives third-party guarantee on the quality of the final product, enabling consumers to select quality products within competitive markets. This scheme can be extended to imported products to ensure quality.</p> <p><u>Laboratory services</u> - The SLSI provides testing services for product and quality assurance for Chemical, Food, Electrical, Materials, Microbiology and Textile testing.</p>
7) Regulating Input Supplies	<ul style="list-style-type: none"> Conducting appropriate training activities in standardization 	
8) Agriculture Insurance	<ul style="list-style-type: none"> Coordinating the process of regional and international harmonization 	
9) Regulatory and Quality Improvements	<ul style="list-style-type: none"> Representing national interests in regional and international standards environments Assisting regulators in the development of technical regulations Complying with WTO requirements and function as the WTO/TBT national enquiry point Provide conformity assessment (testing, calibration, inspection, product certification and system certification) Metrology (establishment of accurate, reliable 	<p><u>Import and Export inspection</u> -The Import Inspection scheme is used to check imported products based on factors such as health & safety, prior to release into the market. It protects local industrialists against competition from cheap low-quality imported goods;</p> <p><u>Systems certification</u> - These Schemes cover ISO 22000 based HACCP Food Safety Systems, GMP Good Manufacturing Practices and GAP Good Agricultural Practices. The ISO 22000/ HACCP Food Safety Certified Schemes have been accredited by Riva – Netherlands, a world-renowned Accreditation Body and also accredited by SLAB; Training - SLSI provides a range of training programmes and seminars in quality management and standardization to industry and service sector personnel with the objective of imparting the knowledge base required for producing good quality products and services. Over 100 such educational and training programmes are conducted</p>

	and traceable measurement)	each year and include quality management, standardization, management systems such as ISO 9001 quality management systems, ISO 14001 environment management systems, ISO 22000 food safety Management systems, ISO 50001 energy management systems, laboratory Quality Management Occupational health and safety management ISO 45001, etc, productivity improvement and other quality related fields.
<p><u>Analysis/ Insights</u></p> <p>The Institution functions according to the Act and prescribed Mandate. SLSI being the National Standards Body in Sri Lanka is a member of the International Organization for Standardization (ISO) based in Geneva. As a member of ISO and as a nominated Enquiry Point of WTO TBT, SLSI is responsible for disseminating information on standards, technical regulations and standards related activities to the community at national level. The SLSI national standardization system is based on the worldwide ‘consensus principle.’ Many products manufactured for export to Sri Lanka now obtain the “SLS” mark. SLSI has recently introduced an Organic Agriculture certification scheme especially for the organic agriculture sector, accredited by the Sri Lanka Accreditation Board (SLAB). The Institute needs to been recognized officially as a strategic business unit (SBU).</p>		

ENTITY / INSTITUTE : 5. Department of National Botanic Gardens		
RESPONSIBLE SECTORS: National collection of exotic plants including Anthurium, Orchids, Roses, Gerbera, Ornamental plants, Plants of conservation values		
Ordinance/ LEGISLATIONS / ACTS The Department functions under the Botanic Gardens Ordinance No. 31, of 1928, Law No.32 of 1973 to provide for the management, administration and control of Botanic Gardens and includes The Royal Botanic Gardens at Heneratgoda (Gampaha).		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Research	5.1.1. A.1. Conduct floristic research on conservation and sustainability 5.1.1. A.2. Conduct floriculture research to address the current and future needs of the industry towards its development focusing on the expansion of techniques that maximize profitability of crops, reduce economic inputs as well as producing new varieties. 5.1.1.A.3. Conduct ethno botany and amenity horticulture related research to study on the knowledge and use of natural resources to finding economic alternatives at promoting the conservation of plants as well as the traditional knowledge associated with them	5.1.1.B.1. Conduct floristic research on conservation and sustainability Functions: Carried out plant explorations Carried out studies on plant propagation techniques for recovery of species Carried out plant systematic studies and plant Identification for effective study and management of biodiversity Carried out studies on maintaining and enriching of collections Carried out accessioning and data basing Develop strategies for plant conservation Disseminate findings under research through publications 5.1.1.B.2. Conduct floriculture research to address the current and future needs of the industry towards the development focusing on the development of techniques that

		<p>maximize profitability of crops and reduce economic inputs.</p> <p>Functions:</p> <p>Conduct studies on area of agronomy, post harvesting, propagation and breeding, pest and diseases, value addition</p> <p>Carried out studies on effectiveness of extension</p> <p>Carried out marketing research and enhancement of production</p> <p>Dissemination of findings under research through publications</p> <p>5.1.1.B.3. Conduct ethno botany and amenity horticulture related research to study on the knowledge and use of natural resources to find economic alternatives for promoting the conservation of plants as well as the traditional knowledge associated with them.</p> <p>Functions:</p> <p>Conduct studies on use of underutilized and potential plants for herbal industry development and landscape improvements</p> <p>Analyze visitor trends and figures</p> <p>Development of landscaping models</p> <p>5.1.1.C. Responsibilities</p> <p>Identifying challenges and opportunities</p> <p>Conducting applied research</p> <p>Developing innovative technologies</p>
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Extension Services including Training	<p>5.1.2.A.1. Education on conservation and sustainable use of plant resources</p> <p>5.1.2.A.2. Provide technical advice to promote development of floriculture industry in SL</p> <p>5.1.2.A.3. Create wide ranging learning environment</p>	<p>5.1.2.B.1. Education on conservation and sustainable use of plant resources</p> <p>Functions:</p> <p>Disseminate authentic information and technical expertise about plants</p> <p>Provide information on technical expertise about plant industries</p> <p>5.1.2.B.2. Provide technical advice to promote and develop floriculture industry in SL</p> <p>Functions:</p> <p>Grower facilitation through field observation and regular meetings</p> <p>Provide technical knowhow to floriculture stakeholders for building their technical capacities</p> <p>Self-employment promotion among women and youth</p> <p>5.1.2.B.3. Create wide ranging learning environment</p> <p>Functions:</p> <p>Education provision on professional and vocational courses of floriculture and landscape gardening</p>

		<p>Education provisions through seminars, workshops, guiding tours, signage, etc. for general public</p> <p>Facilitation of internships and industrial trainings</p> <p>Conducting training of trainers workshops to promote floriculture</p> <p>Capacity building of staff and related stakeholders</p> <p>Dissemination of information on plants and floriculture through all types of media</p> <p>5.1.2.C. Responsibilities</p> <p>Encourage of development and export promotion in floriculture sector</p> <p>Reinforcement of women and youth empowerment within floriculture sector.</p> <p>Connecting plants with people</p> <p>Fostering youth to engage in vocational trainings</p>
Production	<p>5.1.3.A.1. Production of plants and other plant related products to meet quality and targets of quantity</p> <p>5.1.3.A.2. Production of value added plant related products to fulfill customer demand</p> <p>5.1.3.A.3. Development of landscapes sustainably for public</p>	<p>5.1.3.B.1. Production of plants and other plant related products to meet quality and targets of quantity</p> <p>Functions:</p> <p>Maintain and uplift conditions of production nurseries and labs</p> <p>Maintain and uplift mother plant collections</p>

		<p>5.1.3.B.2. Production of value added plant related products to fulfill customer demand</p> <p>Functions:</p> <p>Enhance Improvements and innovations to value added products</p> <p>Diversify products to meet demands</p> <p>5.1.3.B.3. Development of landscapes sustainably for public</p> <p>Functions:</p> <p>improvement and maintenance of existing botanic garden landscapes</p> <p>Provision of expertise for ornamental landscape development in SL</p> <p>5.1.3.C. Responsibilities</p> <p>Providing good quality plants and related products for people, improving landscapes while meeting the demand</p>
Sales and marketing	Income generation, knowledge sharing and promotion through floriculture development	<p>Improve marketing channels & Provide financial assistance for growers</p> <p>Provide assistance to conduct exhibitions for selling growers plants and related products</p> <p>Production of plants and materials for sales</p> <p>Preparing publications including newsletters, leaflets, posters, etc.</p> <p>Maintaining and establishing plant sales centers at botanic gardens in good standard</p>

		<p>Carry out marketing surveys to analyze marketing trends, products demands, customer satisfaction, etc.</p> <p>5.1.4.C. Responsibilities</p> <p>Collection of data related to floriculture industry</p> <p>Data processing and analysis</p> <p>Information on market trends, consumer preferences, and opportunities for value addition and market diversification.</p> <p>Provide good quality plants and plant related products for growers and public to secure standards</p>
Regulating input supplies	Ensure availability of better quality inputs	<p>Carry out testing and trialing for formulation of recommendations</p> <p>5.1.5.C. Responsibilities</p> <p>Providing approvals for floriculture related fertilizers</p>
Any Other	Enhance income generation through tourism	<p>Improvement of facilitation for visitors</p> <p>Maintenance and up keep of gardens at high standards</p> <p>5.1.6.C Responsibilities</p> <p>Contribute to the country's economy</p>
<p>Analysis/ Insights: Sri Lanka's Botanic Gardens are governed by an Ordinance no.31 of 1928 and have continued to flourish, with growth of plant collections and herbarium which are important resources for both teaching and research, serving as reference for the different plant families, genera and species represented. The Gardens are visited by over 2million persons annually. The Department needs to be recognized as a strategic business unit (SBU) and has potential for attracting international funding for research programmes. Working within the umbrella of the Department of Agriculture would help consolidate human and other resources.</p>		

ENTITY / INSTITUTE : 6. Hadabima Authority of Sri Lanka		
RESPONSIBLE SECTORS:		
Home Gardening, Commercial crops, Farm Animals		
Ordinance/ LEGISLATIONS / ACTS		
The State Agricultural Corporations Act, No. 11 of 1972.		
Interpretation.33. In this Act, unless the context otherwise requires-		
The other relevant Extraordinary Gazette Notifications include No. 302/12 of 1978, No. 687/15 of 1091 and No. 2026/45 of 2017		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
1) Research 2) Extension Services including Training Information Services 3) Production 4) Processing and value addition 5) Storage & Distribution 6) Sales and marketing 7) Regulating Input Supplies 8) Agriculture Insurance 9) Regulatory and Quality Improvements 10) Other	Establishment of soil conservation structures in agricultural lands to reduce soil erosion and degradation Establishment of water source conservation structures Conservation of watersheds by conducting tree planting programs Implementation of community participatory water shed purification programmes Provision of solar fences, Protective fences and air riffles (50% beneficiary contribution) To conduct school-based environmental programs Implementation of community-based environmental programs To conduct participatory rural appraisal programs To conduct technical training programs for the farmers	<ul style="list-style-type: none"> • Identification of the Divisional secretariats and GN divisions which need to establish soil conservation structures. • Conduct training programs for the farmers • Establishment of soil conservation structures with the collaboration of the farmers • Provide incentives for the farmers • Identification of water resources to be conserved • Preparation of Project reports and technical evaluation reports • Conduct watershed conservation activities • Funds release to the relevant Divisional secretariats

		<ul style="list-style-type: none"> • Identification of watershed areas for planting trees • Preparation of the project proposals • Establishment of trees identified areas with the collaboration of the beneficiaries • Identification of the watershed which needs purification • Conduct purification programs with the collaboration of the beneficiaries • Identification of the beneficiaries • Preparation of the project proposals for the solar fence and protective fence and getting approval from the divisional secretariats • Collect 50% of beneficiary contribution • Provision of air riffles and other benefits • Identification of the schools • Conduct school environmental programs • Identification of the areas to conduct community-based environmental programs • Identification of the Divisions
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		<ul style="list-style-type: none"> • Conduct participatory rural appraisal programs • Identification of the farmers • Conduct training programs
<p><u>Analysis/ Insights:</u></p> <p>While the activities Hadabima Authority performed in 2023 seem to be useful, the entity has not conformed to the entirety of its prescribed mandate. The Natural Resources Management Centre of the DOA is entrusted with the responsibility of technology dissemination and providing technical assistance for land and water resource development in agriculture and implementation of the Soil Conservation Act. A formal collaboration between the Hadabima Authority and the NRMC of the DOA is thus recommended to optimize use of available resources. Involvement of the Hadabima Authority in organic matter production requires justification. It is also noted that although the Hadabima Authority is involved in the rehabilitation of minor irrigation systems. However, minor irrigation systems are managed by the Department of Agrarian Development,. Duplication of activities by this entity must be addressed.</p>		

ENTITY / INSTITUTE : 7. Tea Small Holdings Development Authority		
RESPONSIBLE SECTORS:		
Tea Cultivation		
Ordinance/ LEGISLATIONS / ACTS		
<p>Tea Small Holdings Development Authority (TSHDA) was established on 1st February 1977, under the Tea Small Holdings Development Act No. 35 of 1975. Act No. 36 of 1991 to establish and register the Tea Small Holder Societies and Act No. 21 of 1997 to grant legal status to these societies have been subsequently legislated. Act No. 34 of 2003 adding amendments to the original act have been legislated.</p> <p>As the sole statutory body mandated for the development of tea small holdings in the country, increase of production, marketing activities, improvement of productivity and working for the welfare of the tea small holders are the objects of the organization</p>		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
<p>Improvement of productivity and quality of the tea in small holdings sector through the provision of extension, advisory and supportive services.</p> <p>Extension approach</p> <p>Commodity approach</p> <p>Extension activities</p> <p>Individual Visits</p> <p>Group activities</p> <p>Mass media Programs</p> <p>Development Activities</p> <p>Subsidy and credit facilities are offered to encourage</p>	<p>11.A .1 Encourage or undertake the development of Tea small holder sector</p> <p>11.A .2 Acquiring or developing tea factories and Tea lands.</p> <p>11.A .3 Develop or undertake the marketing strategies</p> <p>11.A .4 To provide the facilities and services that may be required for the</p>	<p>11.B.1 Encourage or undertake the development of tea lands of the Tea small holder sector</p> <p>11.B.2 Acquiring or developing tea factories and Tea lands to convert the harvest into the final products.</p> <p>11.B.3 To develop or undertake the marketing strategies of the products of the tea factories or tea lands</p> <p>11.B.4 To provide the facilities and services that may be required for the development of the tea factories and tea lands,</p>

<p>and support tea smallholders in Sri Lanka.</p> <p>Establishment of a Community of Tea Small Holders that is economically and Socially Sustainable: This initiative aims to foster a resilient community of tea small holders, ensuring their long-term economic viability while promoting social equity and cohesion.</p> <p>Preservation of Quantity and Quality in Green Leaf Production within the Tea Small Holding Sector: This objective focuses on maintaining and enhancing both the quantity and quality of green leaf production in the tea small holding sector, thereby contributing to the overall sustainability and competitiveness of the industry.</p>	<p>development of the tea harvest of the tea lands</p> <p>12 A Programs to improve skills of professional employees</p> <p>13.A.1 Obtaining a favourable opinion through the general audit</p> <p>13.A.2 Maintaining financial discipline in relation to established internal controls.</p> <p>13.A.3 Maintaining an efficient financial management in the organization.</p> <p>14.A Institutional Capital Items</p>	<p>Facilitate the provision of the facilities and services,</p> <p>The process of converting the harvest of the tea lands into end products or take actions to promote.</p> <p>12.B.1 Internal / External / Foreign Training Programs</p> <p>12.B.2 Staff recruitments and Promotions</p> <p>12.B.3 Staff Performance evaluation</p> <p>12.B.4 Seminar & Conference</p> <p>12.B.5 Enrichment of Knowledge using new technologies</p> <p>12.B.6 Enrichment of Knowledge using new technologies</p> <p>13.B.1 Verification of fixed assets, preparation of Budget and Final statements.</p> <p>13.B.2 In accordance to the budget and action plan Financial controlling in the organization and maintaining organization own generated funds.</p> <p>13.B.3 Handling of Administrative Salaries and administrative expenditures.</p> <p>13.B.4 Reports to the finance ministry and parliament.</p>
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		<p>13.B.5 Provide financial support to small holders for their tea cultivation practices by facilitating with an incentive.</p> <p>13.B.6 Uplift small holder lifestyle with the support of al island federation of societies.</p> <p>14. B.7 Managing staff loan funds</p> <p>14. B.8 Stock maintaining and stock controlling</p> <p>14.B.1 Maintain and repair organizational Building & Structures , Vehicles and Office Furniture.</p> <p>14.B.2 Provide supporting services to the organization such as Transport , Security, Cleaning</p> <p>14.B.3 Maintaining staff loan facility</p>
<p><u>Analysis/ Insights:</u> Duplication of activities and optimization of resources will be facilitated by merger with the Coconut Cultivation Board.</p>		

ENTITY / INSTITUTE: 8. Field Crops Research and Development Institute (FCRDI)		
RESPONSIBLE SECTORS: Condiments, Grain Legumes, Coarse grains, Oil seed crops, Regionally important vegetables, Regionally important fruits, Rice		
Ordinance/ LEGISLATIONS / ACTS The Entity is Governed by the DOA Ordinance No.31 of 1928.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
1) Research	Development of high yielding varieties for favorable environments with desirable qualities	Exploration and introduction of germplasm
2) Extension Services including Training	Maize (Hybrid) - 8 t /ha	Creation of genetic variability and expansion of genetic pool through hybridization and mutagenesis
3) Production (breeder seed production)	Chilli Hybrid) - 40 t/ha	Development of OPV and hybrid (Chilli & maize) varieties through conventional and molecular breeding techniques
4) Processing and value addition	Big Onion – 40t/ha	Genetic improvement of crop populations using different selection methods
5) Storage & Distribution	Mung bean – 2 t/ha	Screening of breeding lines/varieties using conventional/biotechnological tools
6) Sales and marketing	Cowpea – 2.5 t/ha	Development of hybrid seeds production technologies
7) Regulating Input Supplies	Blackgram 2 t/ha	Development of weather based forecasting models for major pests/diseases
8) Agriculture Insurance	Groundnut – 3 t/ha	Development of suitable pest disease and weed management packages
9) Regulatory and Quality Improvements	Development of high yielding varieties for unfavorable environments with desirable qualities	Development of bio-pesticides
10) Any other	Maize (OPV) – 4 t/ha	
	Chilli (OPV) – 20 T/ha	
	Sesame – 1.5 t/ha	
	Fingermillet – 1.8 t/ha	
	Mungbean – 1.5 t/ha	
	Blackgram – 1.5 t/ha	

	<p>Cowpea – 1.5 t/ha</p> <p>Establishment of surveillance and forecasting systems for pest and diseases</p> <p>Development of safe and effective pest disease and weed management strategies (mechanical, cultural, biological) for field crops</p> <p>To ensure the appropriate use of agro chemicals for biotic stresses while protecting the environment</p> <p>Development of appropriate technologies to increase nutrient use efficiency (NUE) and fertilizer use efficiency</p> <p>Identifying alternative eco-friendly nutrient sources</p>	<p>Identification and introduction of suitable semio-chemicals for major pests</p> <p>Identification and introduction of ecological engineering tools to enhance natural enemy population for major pests</p> <p>Screening and giving recommendations on most effective and efficient agro chemicals for biotic stresses</p> <p>Development of site specific fertilizer recommendations</p> <p>Testing of efficacy and economic efficiency of different sprayers for liquid fertilizer application</p> <p>Testing the efficacy of different eco-friendly fertilizer products to include into agronomic management packages</p>
<p><u>Analysis/ Insights:</u> The research history of Mahailuppallama dates back to the year 1903 in which field experiments were initiated aiming to identify suitable economic crops for dry zone rainfed conditions. In the absence of an act the FCRDI has worked according to the mandate assigned to it under the directorate of the DOA. There are nine (9) main research divisions and six (6) sub divisions associated with the FCRDI. This entity is ideally located to function as the research hub of the proposed Food Crops Authority (current DOA).</p>		

ENTITY / INSTITUTE : 9. Provincial Department of Agriculture		
RESPONSIBLE SECTORS:		
All Agricultural Commodities e.g., Paddy, Ground nut, Black gram, Brinjal, Gingerly, Chilli		
Ordinance/ LEGISLATIONS / ACTS		
As the result of the Thirteenth Amendment (13A) to the Constitution of Sri Lanka created Provincial Councils. Hence Provincial Departments of agriculture were established in 1989 according to the provincial council act.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Extension Services including Training	Behalf Preview season field problems are not identified and controlled unsuccessfully by field staff. After that the research officers given technology packages transfer via Extension officer to farmer fields.	<p>Research given suitable packages for identified problems of farmers. District financial request submit to Provincial Director office before seasonal wise, provincial department give financial support to transfer new technologies, Extension staff establish new package at farmer field suitable season, observation and maintenance record by farmers , organize field day by extension officers.</p> <p>Training programs on technical aspects of all crop production are conducted by respective Subject Matter Officers and Agriculture Instructors in the field as well as in the DATCs.</p> <p>Training programs including practical sessions are conducted by respective AIs in the fields</p> <p>Refresher training and In-service training to staff on technical aspects of all crop production are conducted by Experts or master trainers</p> <p>Field days are conducted by respective AIs in the farmer's fields</p> <p>Field days are conducted by respective Farm Managers in DATCs and Farms</p> <p>Exhibitions are arranged and conducted with relevant stakeholders</p>

Analysis/ Insights: Duplication of activities and optimization of resources would be achieved by consolidating activities of Provincial Department of Agriculture with the Central Government entities.

ENTITY / INSTITUTE : 10. Hector Kobbekaduwa Agrarian Research and Training Institute

RESPONSIBLE SECTORS:

The mandate of HARTI is to inquire into agrarian aspects of socioeconomics and rural development.

Ordinance/ LEGISLATIONS / ACTS

HARTI is a premier socio-economic institution established in 1972 under Act Number 05 of 1972 as a statutory body under the Ministry of Agriculture.

VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Research	<p>Hector Kobbekaduwa Agrarian Research and Training Institute (HARTI) was established in 1972 under the Agrarian Research and Training Institute Act No. 05 of 1972. It functions as a statutory body under the Ministry of Agriculture. It was established mainly for the promotion of projects and policy-oriented research and to address the training needs of the agrarian and rural sectors. Being a pioneer of agrarian research in the country, HARTI has a wealth of experience spanning over 50 years in conducting socioeconomic research and training and providing information for the formulation of agrarian sector development policies since its establishment.</p> <p>The objectives in establishing the institute were,</p>	<p>The role and functions of the institute as given in the act,</p> <p>acquire in any manner whatsoever and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property;</p> <p>acquire, establish, install and operate field training centres and pilot projects relating to agrarian research;</p> <p>import plant, machinery and equipment required for the purpose of the Institute and receive equipment, funds, personnel and any other assistance for the efficient conduct of the Institute;</p>

	<p>to foster, assist, encourage and co-operate in agrarian research;</p> <p>to co-ordinate agrarian research undertaken by Government departments, local authorities, public Corporations and other institutions:</p> <p>to carry out investigations and research relating to institutional factors affecting the development of agriculture;</p> <p>to undertake investigations, research and studies relating to economic use of land for agricultural purposes;</p> <p>to carry out socio-economic research relating to agricultural and rural development;</p> <p>to provide or implement training facilities and programmes relating to agrarian research, either alone or in association with other institutions in Sri Lanka or abroad and to award diplomas, degrees, prizes and distinctions in connection therewith;</p> <p>to sponsor and hold conferences and seminars, and publish journals and magazines in connection with agrarian research and training;</p> <p>to carry out such research relating to problems of agrarian structure in cooperation with Asian countries in order to serve their regional needs and provide a centre for the collection and dissemination of information on agrarian problems;</p> <p>and</p> <p>to relate such research to problems connected with agrarian development and modernization with</p>	<p>conduct, assist, co-ordinate and encourage research into all aspects of agrarian development;</p> <p>levy fees or charges for any services rendered by the Institute;</p> <p>appoint, employ, remunerate and exercise disciplinary control over its officers and servants;</p> <p>establish and maintain provident funds and provide welfare and recreational facilities for its employees;</p> <p>make rules in respect of the administration of the affairs of the Institute;</p> <p>delegate to any member, the Director of the Institute, or any employee such functions as the Board of Governors may consider necessary for the efficient transaction of its business;</p> <p>make rules in relation to its officers and servants including the appointment, promotion, remuneration, disciplinary control, conduct and the grant of leave;</p> <p>enter any land or premises for the purpose of carrying out investigations and recording data, inspection of books and documents and taking copies or extracts therefrom, relating to agricultural development; and</p> <p>do all other things which in the opinion of the Board of Governors are necessary or</p>
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	<p>special reference to Sri Lanka and other Asian countries in general.</p> <p>The details of the objectives of each research and training programmes conducted in the year 2022 and 2023 are attached as annex number 1 and 2 respectively. The progress of each research and training projects at the end of the project period is also given in the same attachments.</p>	<p>conductive or incidental to the attainment of the objects of the Institute.</p>
Sales and Marketing	<p>HARTI as a research institute does not have direct involvement in sales and marketing of any product. However, HARTI facilitates the process of sales and marketing providing agricultural market information with the following objectives.</p> <p>The Agricultural Market Information System (AMIS) of HARTI serves several key objectives:</p> <p>Market Monitoring: The system aims to monitor agricultural markets comprehensively, gathering data on prices, supply, demand, and market trends. This information helps stakeholders make informed decisions about production, marketing, and distribution of agricultural products.</p> <p>Price Information: One of the primary objectives is to provide timely and accurate price information to farmers, traders, and other stakeholders. Access to reliable price data enables farmers to negotiate better prices for their produce and plan their marketing strategies effectively.</p> <p>Market Analysis: The AMIS conducts analysis on market dynamics, identifying patterns and trends in</p>	<p>Collection, compilation, analysis, and dissemination of market data and information are the main function of agriculture market information project of HARTI. Price data of 109 agricultural food commodities under different categories namely rice, condiments, potato, pulses, vegetables, fruits, fish, dried fish, and meat are collected from 43 locations including all the dedicated economic centers, the central market of all the districts, and Colombo and suburb markets. The analyzed market information is disseminated through various media platforms such as daily and weekly bulletins, emails, WhatsApp, and hotlines (6666 Mobitel).</p> <p>It is a mandate of the HARTI to provide market information to the Cabinet Approved Subcommittees on food security in order to monitor the food security level of the country. The information generated by the Market Intelligence Project provides policy guidance for the</p>

	<p>supply and demand for various agricultural commodities. Such analysis helps policymakers and market participants understand market behavior and make informed policy and business decisions.</p> <p>Policy Support: AMIS supports the formulation and implementation of agricultural policies by providing policymakers with data-driven insights into market conditions and challenges. This helps in designing policies that promote market efficiency, price stability, and overall agricultural development.</p> <p>Capacity Building: Another objective involves capacity building initiatives aimed at enhancing the knowledge and skills of stakeholders in accessing, interpreting, and utilizing market information effectively. This includes training programs, workshops, and outreach activities.</p> <p>Stakeholder Engagement: AMIS facilitates collaboration and communication among various stakeholders in the agricultural value chain, including farmers, traders, processors, retailers, and policymakers. This fosters transparency, cooperation, and coordination, ultimately contributing to the efficient functioning of agricultural markets.</p> <p>Overall, the objectives of the Agricultural Market Information System at HARTI are geared towards improving market efficiency, supporting informed decision-making, and enhancing the overall</p>	<p>ministries such as Agriculture, Trade, Commerce and Consumer Affairs, Health, Finance and Planning in formulating policies for stabilizing market prices. In addition, the division provides market data and information to the Central Bank of Sri Lanka, the government departments and other institutions at the national and provincial levels, state and private banks, foreign donor agencies and other institutes, embassies, universities, private trading companies, cooperatives and private traders, non-governmental organizations, media agencies and farmers.</p> <p>The dissemination of real-time market information is identified as a national requirement to increase the efficiency of the agro-food supply chain. To cater to the emerging requirements, the existing HARTI- AMIS system needs to be upgraded with the latest technology (automated cloud system). At present the system is totally run manually. Retail, wholesale and producer prices of 109 food commodities collected from 43 locations are entered manually in every week and processed and analyzed with standalone software applications. The output of analytical reports is also prepared manually using existing standalone software applications like MS Excel.</p>
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	competitiveness and sustainability of the agricultural sector.	Database management is also done using manual methods.
<p>Analysis/ Insights: Although endowed with a far-reaching mandate, HARTI's main public role in value chain development is to guide policymakers with evidence by providing data substantiated information, and analytical reports to create an enabling environment or set the "rules of the game" (including government policies, laws, regulations, and infrastructure) for efficient and sustainable farm/business operations and market performance. Public goods such as market information and research findings on socio-economic and institutional factors for value chain development are disseminated through digital and printed media. There is some overlap with information generated by the DOA and other entities engaged in generating and processing Socio- economic data, .</p>		

ENTITY / INSTITUTE: Coconut Research Institute of Sri Lanka		
RESPONSIBLE SECTORS: Coconut		
Ordinance/ LEGISLATIONS / ACTS <p>The coconut Research Institute was founded in 1929 as the Coconut Research Scheme under the Coconut Research Ordinance No.24 of 1928. The Scheme established its Headquarters at Bandirippuwa estate, Lunuwila with three technical divisions namely Genetics, Chemistry and Soil Chemistry. Following the enactment of Coconut Research Act 37 in 1950, it was renamed as Coconut Research Institute of Ceylon. The Coconut Development Act. No 46 promulgated in 1971, the Coconut Research Board was set up in 1972 to function as the Board of Management of the Coconut Research Institute.</p>		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Research	1.To introduce improved coconut varieties and clones of elite palms for planting 2.To introduce recommendations on soil nutrient management for increasing the productivity in coconut, king coconut and oil palm plantations 3.To introduce recommendation to mitigate impact of the climate change on coconut, king coconut and oil palm 4.To introduce new intercrops for the coconut, king coconut and oil palm cultivations 5.To introduce new models with intercrops and livestock under coconut, king coconut and oil palm 6.To introduce recommendations on sustainable methods to control pests and diseases of coconut, king coconut and oil palm 7.To introduce methods to produce value added products from coconut and	

	<p>king coconut for increasing the income from the coconut/king coconut industry</p> <p>8.To reveal the health benefits of coconut-based products</p> <p>9.To introduce policy recommendations to the coconut industry</p> <p>10.To conduct socio-economic surveys related to the coconut industry</p> <p>11.To conduct research on impact assessment of the technology dissemination by the Coconut Cultivation Board</p>	
Extension	<p>1.To disseminate the technologies developed by the research divisions to the Coconut Cultivation Board (Training of Trainers)</p> <p>2.To conduct specialized trainings for the coconut/king coconut growers and industrialists</p> <p>3.To disseminate knowledge on oil palm cultivation</p>	
<p><u>Analysis/ Insights:</u> Working according to Act and mandate. The main functions of the Coconut Research Institute are conducting research and dissemination of knowledge and technology developed through research to the extension officers of the Coconut Cultivation Board.</p>		

ENTITY / INSTITUTE: 12. Rice Research and Development Institute		
RESPONSIBLE SECTORS:		
Rice		
Ordinance/ LEGISLATIONS / ACTS		
The RRDI is established under the Department of Agriculture (DOA). The Director General of the DOA is the primary oversight officer of DOA and ensures that it functions as per its mandate and government regulations. The work of the institute is influenced by (i) the Plant Protection Act, no 35 of 1999, (ii) Seed Act No. 22 of 2003 (iii) Soil Conservation Act No 24 of 1996 and (c) Control of Pesticides Act, No. 33 of 1980		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
1) Research 2) Extension Services including Training Information Services 3) Production 4) Processing and value addition 5) Storage & Distribution 6) Sales and marketing 7) Regulating Input Supplies 8) Agriculture Insurance 9) Regulatory and Quality Improvements 10) Other	<p>The RRDI does not have a statute of its own providing legislative legitimacy, autonomy or guidance for its work, but is guided by the directives of the DH DOA. Hence all decisions must be approved and facilitated by the DG DOA.</p> <p>The RRDI's main focus is the numerous activities related to developing suitable varieties for the various agro-climatic zones of Sri Lanka and their effective usage in cultivation to meet national requirements. To carry out its role the RRDI has an elaborate network of research substations covering all the agro-climatic zones.</p> <p>The core functions primarily include research as well as dissemination of research findings although it does not have a fully dedicated extension and advisory function under its purview, but works through the extension arm of the DOA and the provincial agriculture extension system to which the RRDI has a functional link.</p> <p>The main research work undertaken includes the following;</p>	

	<p>i. Use of conventional and biotechnological approaches to develop new inbred and hybrid rice varieties with</p> <p>ii. To develop appropriate technologies for land preparation, crop establishment, crop management and post-harvest quality assurance</p> <p>iii. To develop appropriate technologies for</p> <p>a. Fertilizer application and sage</p> <p>b. Improving soil nutrition in rice cultivation</p> <p>In addition the RRDl undertakes a range of extension and advisory activities working directly as well as via the Mahaweli Authority, the DOA as well as the nine provincial agricultural extension system. The via the Provincial Technical Working Groups PTWG, a regional agriculture technical working committee. At a national level, the Extension and Training Centre (ETC) and the National Agriculture Information and Communication Centre NAICC are the main entities that conducts extension work for the RRDl</p>	
<p><u>Analysis/ Insights:</u> Institute works according to mandate. Rice is now a commercial crop.</p>		

ENTITY / INSTITUTE :13. Extension and Training Centre		
RESPONSIBLE SECTORS: Agriculture sector		
Ordinance/ LEGISLATIONS / ACTS Entity functions under the DOA Ordinance. To regulate the relevant act coordination, the ground level with the relevant officers, following acts are undertaken; Seed Act, Pesticide Act, Soil Conservation Act, Plant Protection Act.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Services including Training Education, Training and Examination	<p>1. Technology Dissemination</p> <p>Utilize various channels (e.g., print, digital media, field days, on-farm demonstration) to spread information about new technologies.</p> <p>Develop educational materials and guides on the application of these technologies.</p> <p>2. Support and Advisory Services</p> <p>Offer ongoing technical support and advice to farmers adopting new technologies.</p> <p>Support farmers to solve field problems such as Pest and diseases, soil problems</p> <p>3.Training and Capacity Building</p> <p>Organize workshops and training sessions on the use of new technologies.</p>	<p>11A: Legislations /Acts on Objectives</p> <ul style="list-style-type: none"> Seed Act, Pesticide Act, Soil Conservation Act, Plant Protection Act <p>11B: Legislations /Acts on Functions</p> <ul style="list-style-type: none"> Seed Act, Pesticide Act, Soil Conservation Act, Plant Protection Act <p>11C: Legislations /Acts on Responsibilities</p> <ul style="list-style-type: none"> Seed Act, Pesticide Act, Soil Conservation Act, Plant Protection Act <p>12A: Human Resources on Objectives</p> <ul style="list-style-type: none"> Agriculture Service Officers Technical Service Officers Management Service Officers Other Supporting Services <p>12B: Human Resources on Functions</p> <ul style="list-style-type: none"> Agriculture Service Officers Technical Service Officers

	<p>Provide demonstrations and practical training in the field.</p> <p>4. Collaboration with research institutions and other units DOA</p> <p>Help research institutes to do the adoptability test in farmers field</p> <p>Data collection, Feed back and reporting</p> <p>Organizing field demonstrations, field days, open days and exhibitions to showcase new technologies and best practices derived from research stations.</p> <p>5. Market Facilitation:</p> <p>Assisting farmers in accessing local, regional, and international markets</p> <p>6. Enhancing Productivity and Quality:</p> <p>Promoting best practices in crop management to increase yield and improve product quality.</p> <p>Implementing sustainable farming practices to ensure long-term productivity.</p> <p>Providing resources (seed and planting materials), tools, machines</p> <p>8. Control Sudden Epidemic Situations</p> <p>9. Provide extension service support in food production programme</p>	<ul style="list-style-type: none"> • Management Service Officers • Other Supporting Services <p>12C: Human Resources on Responsibilities</p> <ul style="list-style-type: none"> • Agriculture Service Officers • Technical Service Officers • Management Service Officers • Other Supporting Services <p>13A: Financial Resources on Objectives</p> <ul style="list-style-type: none"> • Capital votes • Recurrent votes • Projects – Special /Foreign funded <p>13B: Financial Resources on Functions</p> <ul style="list-style-type: none"> • Capital votes • Recurrent votes • Projects – Special /Foreign funded <p>13C: Financial Resources on Responsibilities</p> <ul style="list-style-type: none"> • Capital votes • Recurrent votes • Projects – Special /Foreign funded <p>14A: Physical Resources on Objectives</p> <ul style="list-style-type: none"> • Buildings –Office/Hostels/Training centres/Schools/Workshops/Laboratories/Farm Structures • Vehicles –Land vehicles/Road vehicles • Farm Machineries
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	<p>2C: Extension Responsibilities</p> <p>Coordination between research and producers</p> <p>Coordination to control sudden epidemic situations</p> <p>Increase production and productivity of food and feed crops through extension programs</p> <p>Assuring the quality of agricultural products</p> <p>Support for policy planning</p>	<ul style="list-style-type: none"> Land –Production farms/Demonstration fields <p>14B: Physical Resources on Functions</p> <ul style="list-style-type: none"> Buildings –Office/Hostels/Training centres/Schools/Workshops/Laboratories/Farm Structures Vehicles –Land vehicles/Road vehicles Farm Machineries Land –Production farms/Demonstration fields <p>14C: Physical Resources on Responsibilities</p> <ul style="list-style-type: none"> Buildings –Office/Hostels/Training centres/Schools/Workshops/Laboratories/Farm Structures Vehicles –Land vehicles/Road vehicles Farm Machineries Land –Production farms/Demonstration fields
<p><u>Analysis/ Insights:</u> Working according to mandate. Resource optimization required. Location for hub of collective extension activity to be in Peradeniya.</p>		

ENTITY / INSTITUTE: 14. Sri Lanka Cashew Corporation		
RESPONSIBLE SECTORS: Cashew Nuts		
Ordinance/ LEGISLATIONS / ACTS Sri Lanka Cashew Corporation (SLCC) was established under the extra ordinary Gazette notification no. 60/7 of 25th May 1973, under the State Agricultural Corporation Act No. 11 of 1972. Since the establishment of the SLCC as a public enterprise, it provides services to the cashew industry while running commercial activities as well.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Research	<p>Enhance the quality and yield of cashew crops.</p> <ul style="list-style-type: none"> - Develop sustainable and efficient cashew cultivation practices. - Innovate value-added products from cashew nuts and by products. - Conduct research to combat pests and diseases affecting cashew plants. - Support the economic growth of the cashew industry in Sri Lanka. - Promote the adoption of modern technology in cashew farming. - Facilitate the dissemination of research findings to farmers and stakeholders. 	<p>Conduct scientific research on cashew cultivation and processing.</p> <ul style="list-style-type: none"> - Collaborate with national and international research institutions. - Provide technical support and guidance to cashew farmers. - Develop and test new cashew varieties with improved characteristics. - Monitor and analyze cashew market trends and industry needs. - Organize training programs and workshops for capacity building. - Publish research findings in scientific journals and industry reports. - Conduct field trials and experiments on cashew plants. - Analyze soil, water, and plant samples for research purposes. - Develop pest and disease management strategies.

		<ul style="list-style-type: none"> - Evaluate the effectiveness of different cultivation practices. - Create and maintain a germplasm collection of cashew varieties. - Assess the economic viability of cashew production methods. - Innovate post-harvest processing techniques for cashew nuts. - Provide consultancy services to cashew growers and processors <p>Research Responsibilities</p> <ul style="list-style-type: none"> - Ensure the accuracy and reliability of research data. - Adhere to ethical standards and regulatory guidelines in research activities. - Maintain comprehensive records of research projects and findings. - Foster collaboration with stakeholders in the cashew industry. - Report research progress and outcomes to the management of the Sri Lanka Cashew Corporation. - Secure funding and resources for research initiatives. - Promote sustainable and environmentally friendly practices in cashew cultivation. - Continuously update knowledge and skills through professional development.
Extension	Ensure the accuracy and reliability of research data.	Conduct outreach programs and field visits to cashew farmers.

	<ul style="list-style-type: none"> - Adhere to ethical standards and regulatory guidelines in research activities. - Maintain comprehensive records of research projects and findings. - Foster collaboration with stakeholders in the cashew industry. - Report research progress and outcomes to the management of the Sri Lanka Cashew Corporation. - Secure funding and resources for research initiatives. - Promote sustainable and environmentally friendly practices in cashew cultivation. - Continuously update knowledge and skills through professional development. 	<ul style="list-style-type: none"> - Organize training sessions, workshops, and seminars for farmers. - Provide technical assistance and advisory services to cashew growers. - Collaborate with research units to transfer knowledge and innovations to the field. - Monitor and evaluate the impact of extension activities on cashew farming. - Develop extension materials, including manuals, guides, and newsletters. - Facilitate farmer access to quality planting materials and inputs. - Identify the training needs of cashew farmers. - Develop and implement extension programs and projects. - Conduct demonstrations of improved farming techniques. - Provide on-site problem-solving assistance to farmers. - Establish and maintain farmer field schools and demonstration plots. - Liaise with other agricultural extension services and organizations. - Collect and analyze data on cashew farming practices and outcomes. <p>Extension on Responsibilities</p>
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		<ul style="list-style-type: none"> - Ensure timely and effective delivery of extension services. - Maintain accurate records of extension activities and farmer interactions. - Ensure the dissemination of up-to-date and relevant information to farmers. - Foster a participatory approach to extension, involving farmers in decision-making. - Report on the progress and challenges of extension activities to management. - Secure resources and funding for extension programs. - Promote gender equality and inclusivity in extension activities. - Continuously update knowledge and skills through professional development and training.
Sales and Marketing	<ul style="list-style-type: none"> - Increase market share and sales of Sri Lankan cashews. - Enhance the brand image of Sri Lankan cashews locally and globally. - Develop and implement effective marketing strategies. - Expand into new domestic and international markets. - Ensure customer satisfaction and loyalty. - Promote value-added cashew products. - Foster sustainable and ethical marketing practices. 	<ul style="list-style-type: none"> - Develop marketing plans and strategies. - Conduct market research and analysis. - Manage brand positioning and promotion activities. - Coordinate with production units to ensure product availability. - Engage with stakeholders, including distributors, retailers, and customers. - Plan and execute advertising and promotional campaigns.

		<ul style="list-style-type: none"> - Monitor and analyze sales performance and market trends. - Identify and target key market segments. - Develop and manage the corporate brand identity. - Organize trade shows, exhibitions, and events. - Implement digital marketing strategies. - Manage relationships with media and advertising agencies. - Create marketing materials, including brochures, flyers, and advertisements. - Conduct competitor analysis and benchmarking. - Monitor customer feedback and market dynamics. <p>5C: Sales and Marketing Responsibilities</p> <ul style="list-style-type: none"> - Achieve sales targets and growth objectives. - Ensure compliance with marketing regulations and standards. - Maintain a consistent brand message across all marketing channels. - Provide regular reports on marketing activities and performance.
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		<ul style="list-style-type: none"> - Develop pricing strategies in coordination with the finance and production teams. - Ensure efficient allocation of marketing resources and budget. - Train and develop the marketing team. - Foster innovation in marketing practices and strategies.
<u>Analysis/ Insights:</u> Working according to Act and following mandate and Act.		

ENTITY / INSTITUTE: 15. Food Commissioner's Department		
RESPONSIBLE SECTORS: Rice		
Ordinance/ LEGISLATIONS / ACTS This Entity has been moved into the Ministry of Agriculture		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
<u>Analysis/ Insights:</u> No longer an entity for review.		

ENTITY / INSTITUTE: 16. Institute of Post-Harvest Management		
RESPONSIBLE SECTORS: Postharvest research and development activities pertaining to cereals, pulses, oil seeds, other field crops, fruits, vegetables, spice crops, ornamental plants and cut flowers.		
Ordinance/ LEGISLATIONS / ACTS The NIPHM was Established on 19th June 2000 by the Extraordinary Gazette of the Democratic Socialist Republic of Sri Lanka No. 1137/10 under the Provisions of the State Agricultural Corporations Act. No. 11 of 1972 for the Purpose of Carrying Out Post Harvest Research and Development Activities Pertaining to Paddy/Rice Other Cereals, Legumes, Oil Seeds Other Field Crops, Fruits, Vegetables and Spice Crops and Providing Self Employment for Rural Sector.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
1) Research 2) Extension Services including Training	1. Conducting original research to advance knowledge in specific areas. 2. Developing new technologies, and methodologies to develop the postharvest sector. 3. Conducting research activities through grants or sponsorships 4. Collaborating with industry partners or other institutions for research projects. 5. Publishing research findings in academic journals or presenting at conferences. 6. Conducting biannual research symposium for interdisciplinary	According to the mandated functions, the institute was established to achieve following objectives; To conduct surveys in order to ascertain the present level of development of post-harvest technology on perishables and non-perishables food crops in Sri Lanka, and make an in depth analysis of the research and development work done up to the present time; To identify research need for the development of the post-harvest technology in Sri Lanka and determine post-harvest research and development priorities in respect of rice, other grains, field crops, fruits, vegetables, cut flowers and ornamental plants and spicy crops; To formulate plan for future development of post-harvest technology on food crops with special emphasis on the following aspects;

	<p>collaboration and knowledge exchange</p> <p>7. Providing facilities and supervision for undergraduate and postgraduate students</p> <p>8. Contributing to policy development or informing decision-making processes.</p> <p>9. Engaging with the public or stakeholders to communicate research outcomes.</p>	<p>The development of improved techniques for processing and storage of agricultural produce;</p> <p>The introduction of post-harvest technology that would lead to value addition, better packing and efficient transportation which would minimize losses and thereby increase income to farmers;</p> <p>The development of new and efficient small agricultural equipment locally, that would improve the quality of production and be competitive, both domestically and internationally;</p> <p>The effective technology transfer and dissemination of information of improved technologies in the post-harvest sector, to farmers, farm organizations, both whole sale and retail traders of agricultural produce, processors, private sector organizations and other relevant target group including value of marketing quality produce and the use of new technologies in post and value addition to improve the marketability of commodities;</p> <p>The development of rural agro-based industries, which should include primary as well as secondary processing to produce various food products in order that a higher market demand is created for food crops produce locally.</p> <p>To undertake collaborative research and development programs on post-harvest technology with recognize International/ Regional and National Institutions and benefit from the knowledge available in this field; To undertake problem solving research assignment fee-levying basis to find</p>
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		<p>solution to problems in technology faced by existing industries in technology adoption;</p> <p>To initiate programs to conduct training courses on post-harvest technology and award certificate and to grant Research Fellowships to premier scientist and research students from the Universities, Public Research Institutes to work at the Post- Harvest Institute of Technology on the development of new technologies of relevance to industry;</p> <p>To serve as the coordinating body to bring together all agencies concerned with research and development on post-harvest technology, to review progress and settle inter agency differences towards achievements of the plan's objectives;</p> <p>To provide to both public and private sectors, services of competent professionals, who will help develop advanced technologies in the post - harvest and value addition.</p>
<p><u>Analysis/ Insights:</u> Optimization of resources and consolidation of activities is recommended.to avoid duplication. The Entity is ideally situated and suited for scaling up technology operations for commercial production and facilitating start-up operations</p>		

ENTITY / INSTITUTE : 17. Paddy Marketing Board		
RESPONSIBLE SECTORS: Paddy		
Ordinance/ LEGISLATIONS / ACTS Paddy Marketing Board is a government institution established under Parliament Act No. 14 of 1971.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Storage & Distribution	a) Maintain adequate Buffer stock b) Disasters/ emergencies handled optimally c) Improve the store facilities	Maintain the buffer stock Maintain
Sales and marketing	a) Price to the producer of paddy guaranteed b) Reduce the gap between Market price and the guaranteed price c) Producer satisfaction optimized e) Improve the store condition to maintain the quality	
Analysis/ Insights: Mandate of entity to be revised to be sustainable while including other commodities to meet current national requirements- e.g., to maintain price stabilization		

ENTITY / INSTITUTE : 18.The Sri Lanka Council for Agricultural Research Policy (SLCARP)		
RESPONSIBLE SECTORS: All crops including food crops, condiments, plantation crops, floricultural crops, agroforestry and all farm animals, aquaculture and fisheries		
Ordinance/ LEGISLATIONS / ACTS Sri Lanka Council for Agricultural Research Policy (SLCARP) was established on 22nd December, 1987 under the Ministry of Agriculture with the enactment of the SLCARP Act No 47 of 1987. Since then, SLCARP has been actively engaged in. Among its mandated functions, the primary responsibility of SLCARP is to by creating conducive environment in the NARS. The main functions of the SLCARP is to, facilitate interaction through sharing of information on the respective fields, resolve constraints confronted in research and play a role in enhancing the activities of the respective committees. At present there are twelve National Committees established by the Council:		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Research	1. To advise the Government on all matters regarding the organization, coordination, planning and execution of agricultural research and such other related matters as may be referred to it by the Minister ; 2. To formulate national agricultural research policy and research priorities; 3. To define the overall aims and scope of agricultural research with a view to furthering national development objectives ; 4. To make recommendations to the appropriate authorities on the financial, manpower and physical resources required by agricultural research institutions and establishments and on the terms and conditions of service of the staff of such institutions and establishments; 5. To review institutional and departmental agricultural research programs and make recommendations with regard to their	As per Mandatory obectives

	<p>priorities and funding to the Ministry of the Minister in charge of the subject of Finance and Planning;</p> <p>6. To promote and facilitate excellence in agricultural research;</p> <p>7. To act as a channel of communication between agricultural research institutions and the Government;</p> <p>8. To arrange for and fund inter-institutional agricultural research projects;</p> <p>9. To arrange for and fund special scientific services for services for the entire agricultural research sector;</p> <p>10. To promote linkage between agricultural research institutions at national and international level;</p> <p>11. To organize conferences and seminars on international, national and inter-institutional issues relating to agricultural research;</p> <p>12. To arrange the post-graduate training of agricultural research staff and for interchange of scientists with recognized research institutions abroad; and</p> <p>13. To review the performance of agricultural research projects, institutions and divisions from time to time. research priority areas</p>	
<p>Analysis/ Insights: SL CARP has not been able to implement all activities prescribed in the Act and mandate due to limited resources allocated to the entity. The Entity has a vital role to play in the formulation of research policy and prioritization, monitoring of prioritized research programmes allocation of financial and other resources including capacity building of human resources. It has the potential for monitoring and coordination of policy formulation responsibilities for the MOA</p>		

ENTITY / INSTITUTE : 19..Coconut Cultivation Board		
RESPONSIBLE SECTORS:		
Coconut		
Ordinance/ LEGISLATIONS / ACTS		
Coconut Cultivation Board, was established by an order published in the Government gazette notification dated 30th March 1972 under the powers vested in him in terms of the provisions of clause 01 of the Coconut Development Act No. 46 of 1971. The Board consists of 18 Regional Offices, 02 Coconut Development Training centres, 38 Nurseries, 12 Coconut Model Gardens and a Seed Production Unit.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Extension Services including Training Sales & Marketing	<p>Key objectives:</p> <p>Increase Productivity: Improve yields through better farming practices, optimal use of resources, and adoption of new technologies and crop varieties.</p> <p>Enhance Quality: Assist farmers and processors in achieving higher quality standards to meet both local and international market demands.</p> <p>Sustainability: Promote sustainable agricultural practices that minimize environmental impact, conserve resources, and maintain ecological balance.</p> <p>Market Access: Help producers gain better access to markets, including providing information on market</p>	<p>The roles and functions of agricultural extension services in the coconut sector are diverse and tailored to meet the above objectives:</p> <p>Knowledge Transfer: Provide up-to-date information and training on the best agricultural practices, pest and disease management, post-harvest handling, and value-added processing.</p> <p>Technology Dissemination: Introduce new technologies and innovations that can help improve various stages of the coconut value chain, from cultivation to processing.</p> <p>Linkage Creation: Facilitate connections between different stakeholders in the value chain, including farmers, processors, researchers, and marketers.</p> <p>Advisory Services: Offer guidance and counselling to coconut producers on various issues, including crop management, financial planning, and legal regulations.</p> <p>Feedback Mechanism: Act as a conduit for feedback from farmers to researchers and policymakers to ensure that agricultural</p>

	<p>trends, pricing, and consumer preferences.</p> <p>Capacity Building: Educate and train farmers, processors, and other stakeholders in the coconut value chain to build their capacity for better management and decision-making.</p>	<p>research and policies are aligned with the needs of the coconut sector.</p> <p>Extension on Responsibilities</p> <p>The responsibilities of agricultural extension workers in the coconut sector are critical for the successful implementation of their roles and for achieving their objectives:</p> <p>Ensuring Relevance: Ensure that the information and technologies provided to the coconut community are relevant to their specific needs and conditions.</p> <p>Promoting Equity: Work towards equitable access to resources and opportunities for all participants in the coconut value chain, especially marginalized groups such as smallholder farmers and women.</p> <p>Monitoring and Evaluation: Continuously monitor the effectiveness of extension activities and evaluate their impact on the coconut sector to adjust strategies as necessary.</p> <p>Advocacy and Support: Advocate for policies and support services that benefit the coconut sector, such as subsidies for inputs, access to credit, and protection against unfair trade practices.</p> <p>Sustainability Focus: Promote and support initiatives that lead to environmentally sustainable and economically viable coconut production and processing practices.</p>
<p>Analysis/ Insights: The CCB works satisfactorily within the framework of its Act and prescribed mandate. Optimization of resources is envisaged through an entity under the directive of the DOA, dedicated to extension services.</p>		

ENTITY / INSTITUTE : 20. Palmyrah Development Board		
RESPONSIBLE SECTORS:		
Palmyra		
Ordinance/ LEGISLATIONS / ACTS		
The Palmyra Development Board (PDB) which originally came under the Ministry of Plantations was constituted by Gazette notification of 18 August 1978 published in terms of Amendment no 24 of 1975; to the Sri Lanka Coconut Development Act no 46 of 1971 to carry out all functions in relation to Palmyra plantations.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
1) Research 2) Extension Services including Training Information Services 3) Production 4) Processing and value addition 5) Storage & Distribution 6) Sales and marketing 7) Regulating Input Supplies 8) Agriculture Insurance 9) Regulatory and Quality Improvements 10) Other	Increase the productivity and production of palmyra based products through applied research and research dissemination	Conduct scientific research in connection with the processing and utilization of Palmyra products Introduction of new techniques in the processing of Palmyra products Create awareness of the medicinal and nutritional values of Palmyra-based products Engage in the technology transfer and providing guidance and consultation to the producers of Palmyra products as well as involved in the maintenance and improvement of the quality of value-added Palmyra products Ensure quality control and quality assurance through issuing test reports To conduct scientific research concerning the growth and cultivation of Palmyra palms with desirable qualities.
Analysis/ Insights: The Palmyra Development Board works within the framework of its mandate. Resource optimization is envisaged by consolidating activities to expand commercial outputs.		

ENTITY / INSTITUTE : 21. Sri Lanka State Plantations Corporation (SLSPC)

RESPONSIBLE SECTORS: Main Crops-Tea; Miner Crops-Cardamom, Cloves, Cinnamon, Black Pepper ,Coffee , Nut meg , Rubber

Ordinance/ LEGISLATIONS / ACTS

Sri Lanka State Plantations Corporation (SLSPC) was established in 1958 under the Ceylon State Plantations Corporation Act No. 4 and it was amended by subsequent Acts No. 12 of 1962, and 49 of 1979. The concept behind establishing the State Plantations Corporation was to strength the contribution of the state plantation sector to the National Economy

With the enactment of the Land Reforms Act of 1972 all profitable Estates were taken over by the government for their better management and vested with the two Institutions namely - Sri Lanka State Plantations Corporation (SLSPC) and Janatha Estates Development Board (JEDB) which were established under the amended State Agricultural Corporation Act of 1975.

VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Production	<p>One of the main objectives of the Corporations is to manage agricultural and estate lands vested in, transferred or alienated to the corporation by the Government or any other person or acquired by the corporation and to promote optimum productivity on such lands.</p> <p>The production of "Sanstha Tea" was started in November 2016 to provide relief to the temporary financial crisis caused by the fluctuations in the price of Sanstha tea in the tea auction by providing Sanstha tea to the local market.</p>	<p>This organization covers the management of 16 Tea Plantations and 01 Rubber Plantation. At the beginning when the Ceylon Planters Corporation was commenced it was one of the main income-producing source and it was a lucrative venture. Since my taking over the SLSPC as the Chairman, there are several decisions made to improve the sources to generate funds and to move forward as a income generated venture.</p>
<p>Analysis/ Insights: The SLSPC needs to be shifted into private sector management and ownership.</p>		

ENTITY / INSTITUTE : 22. Sugarcane Research Institute (SRI)

RESPONSIBLE SECTORS:

Sugarcane		
Ordinance/ LEGISLATIONS / ACTS <p>The Sugarcane Research Institute (SRI) is a statutory body established by the Act of Parliament no. 75 of 1981 (ratified on 29 December 1981), for conducting research on the cultivation and processing of sugarcane to cater to technical and technological needs for the development of the sugar industry of Sri Lanka, which, until 1981 was undertaken by the Research and Development Division of the Sri Lanka Sugar Corporation (SLSC).</p>		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
<ul style="list-style-type: none"> • Research • Extension • Processing technology 	<p>The 2023 program for Sri Lanka's sugarcane industry focuses on research, technology transfer, and development to improve productivity, profitability, and sustainability.</p>	<p>The six primary research areas:</p> <ul style="list-style-type: none"> • Crop Improvement: Researching and developing superior sugarcane varieties with higher yields, disease and pest resistance, drought tolerance, and adaptability to different environments. • Crop and Resource Management: Recommending practices to enhance productivity, reduce costs, and stabilize income through efficient use of land and water resources, as well as diversified farming. • Crop Nutrition: Providing recommendations for soil and fertility management practices specific to sugarcane cultivation. • Crop Protection: Recommending disease and pest control practices and offering crop protection services to prevent and manage sugarcane plantation diseases and pests. • Processing and Product Development: Improving processing efficiency of sugarcane

		<p>and developing new sugarcane-based products to diversify the industry.</p> <ul style="list-style-type: none"> • Mechanization: Developing mechanization technologies to enhance farming efficiency and reduce costs.
<p><u>Analysis/ Insights:</u> The SRI has worked in line with its Act and stipulated mandate.</p>		

ENTITY / INSTITUTE: 23. Sri Lanka Export Development Board		
RESPONSIBLE SECTORS:		
Agriculture and Livestock products related to exports		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Sales and Marketing	<p>Ordinance/ LEGISLATIONS / ACTS</p> <p>The EDB was created in 1979 by Act No.40 of 1979 with the intention of creating a single entity vested with the responsibility of developing Exports.</p> <p>The stated objectives of the EDB are wide and varied.</p> <p>(a) to advise the Export Development Council of Ministers on the national export development policy and programmes.</p> <p>(b) to recommend to the Export Development Council of Ministers policies and measures on export-oriented investment;</p> <p>(c) to recommend the adoption of trade agreements or negotiation of inter-country commercial policy, financial and other related arrangements that will facilitate the development of export from Sri Lanka;</p> <p>(d) to formulate a national export development plan and programme for approval by the Export Development Council of Ministers;</p> <p>(e) to monitor the implementation of the national export plan and</p>	<p>Organizing productive international trade fairs to strengthen trade links</p> <p>Conducting awareness campaigns to stakeholders to enhance market requirement</p> <p>Increase annual export revenue of specific sectors6B: Sales and Marketing Roles & Functions,</p> <p>Research on potential programmes</p> <p>Rationalization of the selections</p> <p>Preparation of yearly action plan</p> <p>Budgeting & Planning</p> <p>Communication & promotion among stakeholders</p> <p>Organizing pre promotional activities</p> <p>Organizing specific events</p> <p>Post evaluation</p> <p>6C: Sales and Marketing Responsibilities,</p> <p>Introduce new products to the international market</p> <p>Increase export revenue</p>

	<p>programme and actively assist in the implementation of the plan ;</p> <p>(f) to facilitate the development of supplies of export products;</p> <p>(g) to administer the Export Development Fund and implement all programmes of assistance for export production and marketing in close cooperation with the various agencies of the Government and of trade and industry;</p> <p>(h) to function as a focal point within the Government where exporters can deal with all export problems;</p> <p>(i) to carry out export potential surveys related to Sri Lanka products,</p> <p>(k) to promote the export of professional and consultancy services from Sri Lanka in order to earn foreign exchange;</p> <p>(l) to promote and sponsor trading houses, engineering and development work and other activities abroad, that will enhance Sri Lanka's foreign exchange earnings;</p> <p>(m) to carry out feasibility studies on export-oriented projects and to undertake any special projects on export development on a pilot basis;</p> <p>(n) to promote and sponsor the establishment of joint export groups, export houses and other organizations;</p>	<p>Increase the awareness on international market trends</p>
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	<p>(o) to direct and co-ordinate the market development activities of trade representatives and trade agents abroad of Sri Lanka,</p> <p>(p) to act as implementing agency for technical cooperation in the field of export development with organizations and bodies outside Sri Lanka;</p> <p>(q) subject to limits and procedures laid down by the Minister,</p> <p>(i) to acquire shares, stocks or any other interest in any business enterprise incorporated in Sri Lanka or abroad and carrying on or proposing to carry on business in Sri Lanka or abroad ,</p> <p>(ii) to lend money to any person or organization in Sri Lanka or abroad for the purpose of trade development;</p> <p>(r) without prejudice to the generality of the powers conferred on the Board by this Act, to carry out or provide general export services to all exporters, such as</p> <p>(i) trade information of current interest to producers and traders,</p> <p>(ii) marketing research in foreign markets,</p> <p>(iii) assistance in the development of new products and in the adaptation of existing ones for export markets,</p> <p>(iv) assistance in the initial stages of marketing a new product or entry</p>	
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	<p>into a new market, including test marketing exercises,</p> <p>(v) organization of buyer-seller meetings in Colombo and in foreign locations,</p> <p>(vi) export consultancy services,</p> <p>(vii) assistance in participation in trade displays, trade fairs and other forms of trade promotion,</p> <p>(viii) training courses in trade promotion and export marketing,</p> <p>(ix) assistance in resolving the problems encountered by individual producers of exports or exporters,</p> <p>(x) assistance in quality control standards, packaging, export credit and insurance,</p> <p>(xi) assistance in import and export procedures and documentation;</p> <p>(s) to acquire and hold any movable or immovable property or dispose of any movable or immovable property acquired or held by it;</p> <p>(t) to levy fees or other charges for services or facilities provided by the Board;</p> <p>(u) to accept gifts, grants, donations or subsidies from both local or foreign sources whether in cash or otherwise and to apply them for carrying out any of the objects of the Board ;</p> <p>(v) to recommend to the Minister, where there is no provision in that behalf in any existing law and the Board is of opinion that it is expedient to do so, the making of</p>	
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	<p>regulations under this Act in respect of the following matters</p> <p>(i) the regulation of the sale and export of export products, the arrangements and payments relating to shipping, freight, brokerage, warehouse or any other charges incurred in the sale of export products abroad ;</p> <p>(ii) the regulation of the insurance, credit, quality control, standardization, packaging and internal transport of export products;</p> <p>(iii) the regulation of the establishment and activities of joint export groups, export houses, and other organizations engaged in exports;</p>	
Regulatory and Quality Improvements,	<p>Describe the Regulatory and Quality Improvements Objectives</p> <p>Organizing assistance schemes to meet the quality requirement</p> <p>Conducting awareness campaigns to stakeholders to enhance quality of the products according to the export demand</p> <p>Increase organic agriculture exports</p> <p>Increase annual export revenue of specific sectors</p>	<p>Regulatory and Quality Improvements- Roles & Functions</p> <p>Research on potential products</p> <p>Preparation of yearly action plan</p> <p>Budgeting & Planning for quality improvement of products and value addition</p> <p>Disseminate the knowledge</p> <p>9C: Regulatory and Quality Improvements-Responsibilities</p> <p>Introduce new regulation and quality requirements</p> <p>Increase certified and value-added product to export markets</p>
<p>Analysis/ Insights: The EDB with its broad mandate is seen as a body that can engage as a lead entity to oversee the export marketing of all major agricultural produce.</p>		

ENTITY / INSTITUTE : 24. Mahaweli Authority of Sri Lanka(Under Ministry of Irrigation)		
RESPONSIBLE SECTORS: Paddy, Other Field Crops, vegetables and Fruits, Tuber and Plantation Crop(Coconut)/Cattle, Pig, Goat and Poultry		
Ordinance/ LEGISLATIONS / ACTS Mahaweli Authority of Sri Lanka Act (No. 23 of 1979) - Sect 23 <p>The Mahaweli Master Plan in the Dry Zone of Sri Lanka has earmarked 365,000 ha of land for development of agriculture in 13 systems identified under the Mahaweli Development Programme. It was intended to construct a series of reservoirs and hydro electricity plants and develop a large area of land with irrigation in order to facilitate the establishment of new settlements and development of agriculture. The implementation of the Mahaweli Development Programme is a mandate of the Mahaweli Authority of Sri Lanka established in 1979 by an Act of Parliament. The Mahaweli Development Authority's current task is to implement the envisaged project plan in the balance areas proposed by the Master Plan and also Gazette areas. This includes rehabilitating and maintenance of the irrigation network, administration of the land, enhancing the production of agriculture and the post settlement process. Further, MASL is responsible for managing irrigation water for 101,526 ha. of irrigable land in the dry zone.</p>		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Extension Services including Training	Functions of the Authority. Functions of the Authority. The functions of the Authority in, or in relation to, any Special Area shall be— (a) to plan and implement the Mahaweli Ganga Development Scheme including the construction and operation of reservoirs, irrigation distribution system and installations for the generation and supply of electrical energy: Provided, however, that the function relating to the distribution of electrical energy may be discharged by any	To uplift and upgrade the farmer livelihood enhance the productivity of cultivation and optimize the land according to the necessity of the country Implementation of development activities at the regional level and monitoring and coordination activities between farmer organizations to explore remedies for issues at the

	<p>authority competent to do so under any other written law;</p> <p>(b) to foster and secure the full and integrated development of any Special Area;</p> <p>(c) to optimize agricultural productivity and employment potential and to generate and secure economic and agricultural development within any Special Area;</p> <p>(d) to conserve and maintain the physical environment within any Special Area;</p> <p>(e) to further the general welfare and cultural progress of the community within any Special Area and to administer the affairs of such area;</p> <p>(f) to promote and secure the participation of private capital, both internal and external, in the economic and agricultural development of any Special Area; and</p> <p>(g) to promote and secure the cooperation of Government departments, State institutions, local authorities, public Corporations and other persons, whether private or public, in the planning and implementation of the Mahaweli Ganga Development Scheme and in the development of any Special Area.</p> <p>13. Powers of the Authority.</p> <p>Notwithstanding the provisions of any other law and without prejudice to the generality of the powers conferred on the Authority by this Act, the Authority shall in or in relation to any Special Area have the power—</p>	
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	<p>(1) to construct, maintain and operate such dams, channels, drainage systems, and other irrigation works and structures for the purpose of achieving its objects;</p> <p>(2) to construct such hydro-power installations as may be necessary for the purpose of the generation and supply of electrical energy:</p> <p>Provided, however, that the function relating to the distribution of electrical energy may be discharged by any authority competent to do so under any other written law;</p> <p>(3) to take such measures as may be necessary for water-shed management and control of soil erosion;</p> <p>(4) to promote, assist in, and secure the settlement of persons on lands, farms and properties in any special area and to make, advance to and pay for or contribute to the expenses of, and otherwise assist persons settling, farming or otherwise developing any such lands, farms and properties or are desirous of so doing and to take all such steps as are necessary or are connected therewith;</p> <p>(5) to manage farms and to engage in farming, agricultural and horticultural activities of every kind;</p> <p>(6) to manage, improve, farm, cultivate, maintain, lease, purchase, sell or otherwise deal with all or any part of lands;</p> <p>(7) to provide advisory and farmer training services to improve cultivation techniques, water management, soil management and the preservation of the physical environment;</p>	
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Production	The functions of the Authority in, or in relation to, any Special Area shall be—	Generate income through production and contribute to the National Income of the country.
<u>Analysis/ Insights:</u> Duplication of activities with other entities needs to be addressed.		

ENTITY / INSTITUTE: 25. Department of Commerce (DOC)

RESPONSIBLE SECTORS:

Ordinance/ LEGISLATIONS / ACTS

This government institution was incorporated under the Ceylon State Council Order of 1931, which replaced the Ceylon Legislative Council of 1923. Under the section 32 of the Ceylon State Council Order seven Executive Committees were formed. The Executive Committee on "Labour, Industry and Commerce" with its legislative powers, created Bureau of Commerce assigned with the subject of "Commerce". After the independence, with the introduction of a Cabinet System of Government, the same institution now known as the Department of Commerce was assigned to the Ministry of Commerce and Industry on 29th September 1947.

VALUE CHAIN CONNECTION

MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES

OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION

All commodities

Analysis/ Insights: works within the framework of its mandate. Resource optimization is envisaged by consolidating activities with the Export Development Board to expand commercial outputs.

ENTITY / INSTITUTE: 26. National Fertilizer Secretariat		
RESPONSIBLE SECTORS: Maintaining fertilizer import, mixing, distribution, and sales of availability of stocks by state Fertilizer Companies.		
Ordinance/ LEGISLATIONS / ACTS Fertilizer Act No.68 of 1988		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Regulating Input Supplies	<p>Regulating fertilizer importing:</p> <p>As per the Fertilizer Regulation Act of No.68 of 1988, all fertilizer imports to the country should comply with SL standards or UK standards.</p> <p>Regulating fertilizer manufacturing</p> <p>As per the Fertilizer Regulation Act of No.68 of 1988 all organic and inorganic fertilizer products in the country should be complied with SL standards.</p> <p>Regulating fertilizer Formulating</p> <p>As per the Fertilizer Regulating Act of No.68 of 1988, all formulated fertilizers should comply with SL standards.</p> <p>Quality assurance of fertilizer</p> <p>Management of the fertilizer distribution process</p> <p>Information management for decision-making</p>	<ul style="list-style-type: none"> • Implement sentences and regulations vested by the Fertilizer Regulation Act No.68 of 1988 • Registration of manufacturers, Importers and Formulators • Quality assurance of fertilizer • Management of the fertilizer distribution process • Information management for decision-making • Implementing license process • Implementing the Quality assurance procedures • Implementing information management system • Payments of salaries and wages • Payments of administration expenses

		<ul style="list-style-type: none"> • Payments of other expenses • Preparing and issuing of license certificates • Preparing and issuing pre-shipment approval documents, Custom clear documents, Marketing approvals • Preparing and issuing other documents (Information, circulars, Instructions) • Field inspections, drawing samples and Storing Samples, Maintaining files and documents • Achieving communication facilities and meeting arrangements
<u>Analysis/ Insights:</u> Works within the framework of its mandate.		

ENTITY / INSTITUTE: 27. Central Provincial Irrigation Department (CPID)		
RESPONSIBLE SECTORS: Paddy (agricultural production) and OFCs		
Ordinance/ LEGISLATIONS / ACTS Central Provincial Irrigation Statute (No 5 of 2017) In accordance with the 13th Amendment to the Constitution of Sri Lanka, the Central Provincial Council holds authority over non-interprovincial irrigation schemes and shares responsibilities for minor irrigation schemes through a concurrence list with the central government. Reflecting this constitutional framework, on a cabinet minute decision took on 06.04.2005 the Central Provincial Irrigation Department was established on 01.01.2006 as a department of the Provincial Ministry of Agriculture- Central Province. On August 14, 2018, the Central Provincial Council further solidified the institutional framework by publishing the Central Provincial Irrigation Statute (No 5 of 2017). This statute outlined the legal foundations and responsibilities of CPID, providing a clear mandate for its operations and facilitating its role in overseeing irrigation activities within the province.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Any other	To ensure reliable and sustainable irrigation water supply for agricultural production	Design and maintain irrigation infrastructure tailored to agricultural farming needs. Provide technical guidance and support to agricultural farmers for efficient water use. Collaborate with stakeholders to address water-related challenges in agricultural cultivation. Monitor and maintain irrigation systems to ensure continuous water supply. Conduct impact assessments to evaluate the effectiveness of irrigation interventions. Develop and implement innovative approaches to enhance water

		availability and efficiency for agricultural production.
<u>Analysis/ Insights:</u> Duplication of activities need to be addressed.		

ENTITY / INSTITUTE: 28. Provincial Department of Agriculture (Western Province)		
RESPONSIBLE SECTORS: Paddy, Low country Vegetables, Leafy vegetables, Yams and Fruits.		
Ordinance/ LEGISLATIONS / ACTS The Provincial Department of Agriculture operates under the Ministry of Agriculture, Land, Irrigation, Animal Production and Health and Agrarian Development of the Western Province. The main functions of the Department of Agriculture are to carry out agricultural extension and training in the province. The Provincial Department of Agriculture was established in 1989 in accordance with the 13th Amendment to the Constitution.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
2) Extension Services including Training 3) Production	Up lifting the crop production and the productivity in the province Production of quality seeds and planting material and availability of inputs Contributing towards popularizing the use of non-toxic and quality vegetable and fruits at domestic level Taking measures to motivate the young community to agriculture Taking necessary action to promote agribusiness and entrepreneurships Directing towards environment friendly cultivation Minimizing postharvest damages Creating good governance development	Land productivity improvement through technology promotion Expansion of agriculture production by providing good seeds and planting materials Enhancing rural economic by establishing crop villages Promote & popularize good agricultural practices during next ten years Earn foreign exchange by increasing pineapple exportation Promote agro tourism by introducing organic farming Confirmation of crop safety by using eco-friendly agricultural practices Capacity development of training institute To increase productivity of government organization through providing training & extension aids

		<p>Enhance and exchange agricultural knowledge among agriculture officers</p> <p>Provincial Director, Deputy Directors, Assistant Directors, Agriculture Instructors and Monitoring Officers in Province</p>
<p><u>Analysis/ Insights:</u> Duplication of activities need to be addressed to optimize human and other resources.</p>		

ENTITY / INSTITUTE : 29. National Agriculture Information and Communication Centre (NAICC)

RESPONSIBLE SECTORS:

All the food crops come under the mandate of DoA

Ordinance/ LEGISLATIONS / ACTS

The National Agriculture Information and Communication Centre (NAICC) in Sri Lanka is responsible for the National Audit Act No. 19 of 2018.

The NAICC is part of the Department of Agriculture (DOA) and is responsible for:

Disseminating agriculture technologies: The NAICC shares agricultural technologies with farming communities and other beneficiaries through print, electronic, and social media.

Developing e-solutions: The NAICC develops and implements e-solutions for the agriculture sector.

Improving IT applications: The NAICC improves IT applications for the DOA.

Providing information: The NAICC provides information about field conditions at the time of field establishment and market information at the time of harvesting.

Farm Broadcasting Service: The NAICC's Farm Broadcasting Service uses radio to communicate agricultural information on behalf of the DOA.

Agriculture Publication Unit: The NAICC's Agriculture Publication Unit publishes agriculture publications.

VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
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Extension Services including Training Information Services		
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Analysis/ Insights: Works within its mandate. Resources could be optimized by collaboration with other extension entities.

ENTITY / INSTITUTE : 30. Seed and Planting Materials Development Centre		
RESPONSIBLE SECTORS: Seed and Planting Materials of Food crops (Paddy, OFC, Vegetables, Potato, Mushroom and fruits)		
Ordinance/ LEGISLATIONS / ACTS The Seed and Planting Materials Development Centre (SPMDC) is controlled by the Seed Act No. 22 of 2003, which regulates the quality of seeds and planting materials in Sri Lanka		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
2) Extension Services including Training		SPMDC is responsible for training Officers and the farmers who are engaged with our Contract seed production programme Technology provision Enhancing productivity and quality
3) Production	The SPMDC produces all necessary basic seeds of paddy, OFC, vegetables, mushrooms and potatoes for the seed producers and farmers in the country, in addition to the direct production of a large volume of certified seeds of paddy, OFC, vegetables, potatoes, and certified planting materials under open field and controlled environmental conditions.	Planning and implementing Seed production programs Monitoring and supervision of Seed production programs Responsibilities Ensure the proper implementation of the production plan Maintain the profitable manner of advance account
4) Processing and value addition		The SPMDC is involved in processing, grading and packing all necessary basic seeds of paddy, OFC, vegetables,

		<p>mushroom and potato seed and certified planting materials.</p> <p>Primary seed process in 29 seed processing centres in farms and Secondary processing depending on crop variety. There are 4 special units (Vegetable Processing Centre Kundasale, OFC Seed Processing Centre Pelwehera, and Seed Potato Stores Seetha Eliya and Rahangala)</p>
5) Storage & Distribution		<p>While supplies of all necessary high-quality seeds and planting materials to the farming community of Sri Lanka at competitive prices</p> <p>the basic seeds of paddy, OFC, vegetables, and potato seeds are stored under cold and ambient conditions.</p> <p>All vegetable seeds and some OFC seeds are stored under cold storage (Vegetable Seed Centre). Paddy and OFC seeds are mainly stored under ambient conditions in Pelwehera OFC stores and regional paddy stores.</p> <p>SPMDC to ensure in this nationally important task, distribution of all seed varieties from our lorry and cab service.</p>
6) Sales and marketing	<p>The other main objective of SPMDC is the sales and marketing of basic seed and planting materials.</p> <p>SPMDC has 35 seed sale stations (Alevi sal).</p>	

	<p>Lak krushi Alevi members (Public 103, Private 71 , අලෙවි නියෝජිතවරු (sales Representatives) 174)</p> <p>SPMDC e-shop (tendering in process) opening is soon.</p> <p>Special sale promotion programme for farmers in Yala and Maha season</p>	
7) Regulating Input Supplies		SPMDC regulate the supply of Basic seed to the market
9) Regulatory and Quality Improvements		<p>SPMDC Regulatory and Quality Improvements of Seed under several steps</p> <p>process the seed</p> <p>Primary processing</p> <p>secondary processing</p> <p>Drying of seeds to reduce moisture.</p> <p>Selection and grading</p> <p>Packing</p> <p>Stored</p>
10) Progress Monitoring		<p>SPMDC monitoring institutional progress by using monthly formats from 78 regional units (DDA seeds office, Farms, sale centres)</p> <p>2 Seasonal meetings</p> <p>Monthly meetings – Relevant officers in the head office</p> <p>Zonal meetings with relevant officers</p> <p>Regional seed committee meeting - seasonal</p>

ENTITY / INSTITUTE: 31. Seed Certification and Plant Protection Centre		
RESPONSIBLE SECTORS: Seed Certification Service (SCS) – All crops Plant Protection Service (PPS) – All Agricultural crops and Invasive alien plant species National Plant Quarantine Service (NPQS) – Facilitation of international movement of plants and plant products Plant Genetic Resources Centre (PGRC) – All agricultural crop germplasm under Department of Agriculture and their wild species. (Rice and all grains, other field crops, vegetables, oilseed crops, grain legumes, fruits, condiments, other crops) Registrar of Pesticides Office (ROP) - Regulation of Pesticides in all sectors (Agricultural, Industrial, Veterinary, Domestic, Public Health etc.)		
Ordinance/ LEGISLATIONS / ACTS Plant Protection Act No. 35 of 1999 to protect the agriculture and promote effective pest management strategies with least harm to the environment. Control of Pesticide Act No. 33 of 1980 to ensure availability of high quality pesticide with least hazard to human health and the environment. Seed Act No. 22 of 2003 to safeguard the farmers as well as the seed handlers for malpractices that would harm the seed industry.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Any other	Provide efficient and effective services to relevant stakeholders through the units under the purview of SCPPC.	<ul style="list-style-type: none"> • Administration • Financial • Technical • Supervision/Monitoring Director and staff of SCPP

Regulatory and Quality Improvements	<p>Seed certification</p> <p>Ensure acceptable standards of seed purity, germination, viability, vigor, and health to systematically increase superior varieties and provide a continuous supply of comparable material through careful maintenance.</p>	<ul style="list-style-type: none"> • Field Registration • Field inspections • Sampling • Laboratory testing • Labelling • Conducting post control grow out tests • Conducting hybridity tests
	<p>Planting material certification</p> <p>Guaranteed performance in terms of higher yield and quality of crops with reliable planting material.</p>	<ul style="list-style-type: none"> • Mother plant certification • Nursery registration • Planting material certification • Labelling
	<p>Quality testing of imported seeds and stored seeds</p>	<ul style="list-style-type: none"> • Sampling • Laboratory testing • Conducting grow out trials
	<p>Confirmation of novelty of new crop varieties</p>	<ul style="list-style-type: none"> • Conducting DUS test
	<p>To assure the availability of quality produce to stakeholders</p>	<ul style="list-style-type: none"> • Certification of GAP farms • Registration of GAP produce handlers
Regulating Input Supplies	<p>Regulating seed trade operations to ensure the availability of high-quality seeds</p> <p>Protects farmers from unscrupulous traders who would otherwise sell poor quality seeds</p>	<ul style="list-style-type: none"> • Registration and renewal of seeds handlers • Premises inspection • Random sampling • Seed testing • Label approval <p>Problem investigation and taking legal actions</p>

Extension Services including Training	<p>To increase the efficiency of seed & planting material production, handling and production of safe and healthy agricultural produce.</p> <p>Utilization of quality seed & planting materials and healthy produce</p>	<ul style="list-style-type: none"> • Conducting training programs • Enhancing knowledge and practical skills in seed production, quality assurance, and handling • Raising consumer awareness through mass media
Research	<p>Generation of quality improvement technologies for seeds, planting materials and GAP produce</p> <p>Improve the production, productivity, and availability of quality seeds through improved technologies.</p>	<ul style="list-style-type: none"> • Carry out seed technology research to solve problems associated with quality seed production, harvesting, post-harvest handlings, storage, • Develop and standardize seed testing techniques
<p><u>Analysis/ Insights:</u> works within prescribed mandate, but resource allocation needs to be revised and optimized.</p>		

ENTITY / INSTITUTE: 32. Fruit Research and Development Institute		
RESPONSIBLE SECTORS: Fruits (Mango, Banana, Papaya, Pineapple, Rambutan, Guava, passion fruit, Durian, Citrus, Pomegranate, Avocado, Mangosteen and underutilized fruit crops)		
Ordinance/ LEGISLATIONS / ACTS		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
1) Research	To develop new varieties and technologies of fruit crops to ensure food and nutrition security.	<p>Research are conducted under different disciplines such as plant breeding, Biotechnology, Agronomy, Soil science, food processing and post-harvest, Plant protection for fruit crops</p> <p>1C: Research Responsibilities,</p> <p>Plant breeding and biotechnology – development of new fruit varieties with desirable characteristics (high yield, tolerance to biotic and abiotic stresses, high quality for export and local markets, processing qualities, etc....)</p> <p>Agronomy – Development of fruit cultivation technologies to enhance the productivity, climate smart technologies and modernized technologies for commercial fruit cultivation.</p> <p>Soil science – Development of soil and plant nutrient management packages to enhance the fruit productivity and quality.</p> <p>Plant protection – Development of environmentally friendly IPM packages to manage the pest and diseases in fruit crops.</p>

		Food processing and post-harvest- Development of technologies to minimize the post-harvest losses and diversified value-added products of fruits.
2) Extension Services including Training	Dissemination of research findings and improved technologies towards farmers and relevant stakeholders.	Making aware of farmers and stakeholders related to fruit sector. <u>Responsibilities</u> Conducting training programs, demonstrations, field visits, producing publications (books, leaflets, journal articles, paper articles, etc.), mass media programs (TV, Radio, social media).
<u>Analysis/ Insights</u> Unable to meet requirements of R&D activities of the full range of national fruit crops. Resource allocation needs to be addressed and optimized to meet national needs.		

ENTITY / INSTITUTE :33. Natural Resources Management Center		
RESPONSIBLE SECTORS:		
Land, Soil and water		
Ordinance/ LEGISLATIONS / ACTS		
Natural Resources Management Centre of the Department of agriculture implement Soil conservation act No. 25 of 1955 and amended soil conservation act No. 24 of 1986 on behalf of Director General of Agriculture, who is the secretary to the soil conservation board. All the technical officers of the Natural Resources Management Centre.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
No direct value chain connection		
However, indirectly support to other institutes through supporting land development, soil conservation, providing climate information and weather advisory, National scale mapping and crop suitability assessment for different crops.		
<u>Analysis/ Insights</u> Wors according to mandate.		

ENTITY / INSTITUTE : 34.National Institute of Post Harvest Management (NIPHM)		
RESPONSIBLE SECTORS:		
Rice, other grains, Field crops, fruits, vegetable, cut flowers and ornamental plants and spice crops		
Ordinance/ LEGISLATIONS / ACTS		
The NIPHM was Established on 19th June 2000 by the Extraordinary Gazette of the Democratic Socialist Republic of Sri Lanka No. 1137/10 under the Provisions of the State Agricultural Corporations Act. No. 11 of 1972 for the Purpose of Carrying Out Post Harvest Research and Development Activities Pertaining to Paddy/Rice Other Cereals, Legumes, Oil Seeds Other Field Crops, Fruits, Vegetables and Spice Crops and Providing Self Employment for Rural Sector.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION

Research	<p>The main objective of our research program's is new technology development that ensure national food security. Thus, our institute's research and development efforts are focused on addressing the intricate technological and socioeconomic challenges faced by the postharvest industry. These efforts unfold through targeted research projects under three thrust areas.</p> <ul style="list-style-type: none"> • Minimization of postharvest losses • Food processing and value addition • Food safety and human nutrition <p><u>Research Roles & Functions</u></p> <p>Research projects are conducted by the research and development staff (Principal investigators, collaborative researchers, laboratory staff, staff of the engineering workshop) and supported by the administrative and finance staff.</p> <p>Research programme include both fundamental and applied demand driven research institutionally and collaborative with national and international universities and other relevant</p>	<p>New and appropriate postharvest technology development, evaluation of the feasibility of technologies developed by other countries and Introducing technologies developed via research programme to the stake holders.</p>
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	<p>institutions. Thus the Key functions of research are listed below.</p> <ul style="list-style-type: none"> • Conducting original research to advance knowledge in specific areas. • Developing new technologies, methodologies to develop the postharvest sector. • Conducting research activities through grants or sponsorships • Collaborating with industry partners or other institutions for research projects. • Publishing research findings in academic journals or presenting at conferences. • Conducting biannual research symposium for interdisciplinary collaboration and knowledge exchange • Providing facilities and supervision for undergraduate and postgraduate students • Contributing to policy development or informing decision-making processes. 	
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	<ul style="list-style-type: none"> Engaging with the public or stakeholders to communicate research outcomes. 	
Extension Services including Training	<p><u>Objectives:</u></p> <p>The main objective of the extension service is to ensure national food security by disseminating and implementing postharvest technologies among stakeholders. Training programs are conducted with the aim of raising awareness about postharvest technology, entrepreneur development, loss reduction, process and product quality improvement, etc. that affect improving the supply and value chains of agricultural commodities, ultimately reducing postharvest losses.</p> <p><u>Roles and Functions:</u></p> <p>Extension activities are conducted by the extension staff (extension officers, extension assistants, and staff of the laboratory, engineering workshop, and Information technology unit) and supported by the administrative and finance staff. Key functions of the extension service are listed below.</p> <p>Conducting awareness creation programmes/training</p>	<p>Introducing technologies developed via research programs to the stakeholders and implementing them in the postharvest industry through technology transfer activities.</p> <p>Conducting residential and non-residential training programs</p>

	<p>programmes on proper postharvest technologies</p> <p>Entrepreneur development by adopting postharvest technologies in agro-based industries</p> <p>Minimization of postharvest losses in agricultural crops by introducing technologies for storage methods, processing and value addition</p> <p>Implementing development projects island-wide and facilitating stakeholders in the value chains, thereby improving their social and economic status</p>	
Processing and value addition	<p>Although our institute is not directly involved in processing and value addition in commercial base, we are providing technical support and expertise knowledge to initiate agro-based processing and value additions industries to improve the quality of the product and upgrade the industries.</p>	
Storage & Distribution	<p>We provide technical support to establish scientific storage facilities. Some of the executive officers of the institute represent advisory committees of government warehouses. And provide technical assistance to solve issues encountered in private sector warehouses. Further, on-farm storages in</p>	

	<p>agricultural areas are improved through our development projects to minimize home level storage losses due to it appears worst problem in grain storage. In addition, our institute implemented different projects to reduce the postharvest losses during the fruit and vegetable distribution.</p>	
Sales and marketing	<p>We assist the agro-based entrepreneurs, who initiated industries through our technical assistance, to find appropriate market opportunities in local and international markets. Thus, the institute indirectly engage in sales and marketing.</p>	
Any other*	<p>National Institute of Post Harvest Management provides consultancy and other services to public, private and cooperative sector organizations that are either directly or indirectly involved in the post-harvest industry. Through this, services are given to establish new processing plants, modernizing of existing agro-based mills and plants and to solve technological problems encountered by rice millers and other food processors in their day-to-day operations. In the years 2022 and 2023, the institute helped to prepare technical reports,</p>	

	<p>feasibility reports and technical guidance for different agro food processing industries to initiate and upgrade their industries as per their request. Thus the institute provided 20 consultancies in 2022 and 10 consultancy services in 2023.</p> <p>Further, the institute supported the stakeholders by providing laboratory and engineering services, especially for quality control activities both in industrial products and process lines. Laboratory services consisted of chemical, physical, and microbiological services, whereas engineering services included machinery and equipment testing and evaluation and operator training. In the year 2022, 400 laboratory reports were issued, and in the year 2023, that number has increased to 986.</p> <p>Further, the Institute is proud to mention that nearly 90 % of the new rice mills established in Sri Lanka during the past few years have been designed according to the recommendations by the NIPHM.</p>	
<p><u>Analysis/ Insights</u> Works according to Act and Mandate. However, available resources need to be optimized. The entity has the potential to meet the technology scaling up requirements for commercialization for value addition to agricultural produce.</p>		

ENTITY / INSTITUTE: 35. Rubber Research Institute of Sri Lanka (under Rubber Research Board)		
RESPONSIBLE SECTORS: Rubber		
Ordinance/ LEGISLATIONS / ACTS Rubber Research Ordinance No 10 of 1930		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
Research and Development	<p>1. Collective responsibility for carrying out research projects and making recommendations</p> <p>i. to achieve continuous developments to make the rubber industry (Rubber plantation and rubber product manufacturing sector) a competitive and sustainable industry</p> <p>ii. to solve the current issues and troubleshoot in the industry through private-public partnership approaches</p> <p>iii. to provide technological inputs to policymakers in introducing and implementing policies and regulations</p> <p>iv. to provide interactions and collaborations with external parties (locals and foreign)</p> <p>v. Establishing quality standards for rubber products and providing certification services to ensure</p>	

	<p>compliance with international quality requirements, thereby enhancing market competitiveness</p> <p>i. Analyzing market trends and consumer preferences to guide the development of new rubber products and identify potential export markets for Sri Lankan rubber.</p> <p>ii. to prepare the rubber industry to face future needs and challenges</p> <p>iii. to ensure the continuous improvement of the livelihoods of rubber growers</p>	
Extension Services including Training	<p>Transfer to relevant stakeholders in view of improving the adoption rate of recommended technologies to enhance the productivity and profitability of rubber growers.</p> <p>To disseminate new knowledge to the extension staff and provide advisory services when and where necessary</p> <p>Fostering a network of knowledge exchange and cooperation among stakeholders in the rubber industry to facilitate</p>	<p><u>Extension on Roles & Functions</u></p> <p>Transfer the technologies developed by the research departments to the stakeholders of all categories (large scale, medium and small scale, field extension officers etc.) through workshops, seminars, field demonstrations, troubleshooting activities etc....</p> <p><u>Extension on Responsibilities</u></p> <p>Collective responsibility of carrying out research projects and making recommendations</p> <p>to achieve continuous developments to make the rubber industry (Rubber</p>

	<p>innovation, technology diffusion, and</p>	<p>plantation) a competitive and sustainable industry</p> <p>to solve the current issues and troubleshoot in the industry through private-public partnership approaches</p> <p>to provide technological inputs to policymakers in introducing and implementing policies and regulations</p> <p>interactions and collaborations with external parties (locals and foreign)</p> <p>to ensure the continuous improvement of the livelihoods of rubber growers</p> <p>Developing risk management strategies and contingency plans to address potential threats to the rubber industry, such as climate change, market volatility, and supply chain disruptions.</p>
<p><u>Analysis/ Insights</u> Wors according to prescribed mandate but needs to optimize output to meet industry needs.</p>		

ENTITY / INSTITUTE: 36. National Livestock Development Board		
RESPONSIBLE SECTORS: Maintain all farm activities at optimum level, infusing surplus funds from coconut - based industries for sustenance		
Ordinance/ LEGISLATIONS / ACTS The National Livestock Development Board was established in 1973 under the State agricultural Corporation Act No. 11 of 1972.		
VALUE CHAIN CONNECTION	MANDATORY OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES	OBJECTIVES/ FUNCTIONS/ RESPONSIBILITIES AS GIVEN IN THE SELF-EVALUATION
<u>Analysis/ Insights</u> This entity has potential for private sector partnership.		

Annex 6: Self-evaluation tables on Financial Viability of the Agriculture Sector

ENTITY / INSTITUTE : Industrial Technology Institute

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
Permanent	439	301	138	Unfilled vacancies and rapid turnover in technical categories have adverse effects on succession planning which impacts ITI output adversely, e.g., Maintaining Accreditation Status, Credibility for International collaboration, effective research output for industry
Finance (Rs.M)	Source of Funding	Approved Budget 2023	Available Budget 2023	
Government	√	590	438.7	With the ability to generate up to 60% of its recurrent expenditure and attract international funding for its research programmes the ITI has reached the status of a strategic business unit (SBU).
Local Projects 2020/2023	Rs.925,000.00			
Foreign Projects 2020/2023	Research grants - Rs.140,771,929.00			
Earnings	479.8			
Physical resources	Authorized	Availability	Used in 2023	
Land	adequate	√	√	Under utilized
Buildings /Labs with necessary Equipment	Adequate labspace, equipment needs repair	√	√	Adequate but under utilized due to shortage of trained personnel. The Institute received Rs.148,351,793.00 in the form of an international grant to upgrade its catalogue of scientific equipment.
Vehicles	21 vehicles and 2 mobile service units			Only 4 vehicles purchased in the past 10 years all other vehicles over 10 years old
Analysis/ Insights Has the potential to generate income and develop into a strategic business unit (SBU). Has the potential to provide technology scale up for commercialization of value addition to agricultural produce and waste products.				

ENTITY / INSTITUTE: Hector Kobbekaduwa Agrarian Research and Training Institute

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
	228	103	122	Well-trained and experienced human resources are vital for conducting research. However, opportunities for professional development for the research and training staff are inadequate, and incentives to retain staff are minimal. Frequent changes in management disrupt the overall functioning of the institute. A major weakness in the mandate is the minister's discretion to remove and appoint the director of the institute, who also serves as the CEO.
Finance	Source of Funding	Approved Budget	Available Budget 2023	
Government	√		162,227,000	
Local Projects				
Foreign Projects	√		58,065,331	
Earnings			50,326,537	
Physical resources	Authorized	Availability	Used in 2023	
Land	adequate	√		
Buildings /Labs with necessary Equipment	Adequate labspace, equipment needs repair	Conference and residential facilities, Library	N/A	
Vehicles			N/A	
Any Other				1. The Food and Market Information System of HARTI can be upgraded in line with new technology by adopting ICT and AI to provide real-time updates on the food and market situation in the country, thereby reducing the need for statistical staff. Additionally, a feedback system should be incorporated to enhance the credibility of the information system and to customize it to user needs.

				<p>2. HARTI should build collaborations with foreign universities to award degrees, implementing sandwich models that include course training at overseas universities and field training in Sri Lanka for both Sri Lankan and international students.</p> <p>3. A separate division at HARTI should be established to conduct research studies on international relations and agriculture. This division should focus on areas such as the changing world order, international treaties, world trade and trade agreements, global value chains, the evolving nature of development assistance, and the role played by multinational companies. Funding should be allocated for conducting research in these areas and for participation in international programs.</p>
<p>Analysis/ Insights Does not engage in all activities provided in the Act. Has the potential to generate data and engage in policy development activities. Resource management need to be optimized.</p>				

ENTITY / INSTITUTE : Sri Lanka Tea Board

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
	331	245		Unfilled positions fall into the non technical category.
Finance(Rs. Million) 2022	Source of Funding	Approved Budget	Available Budget	
Government (Rs, Million)	√	164.675		Project funds are for the purchase of Sprinkler Systems. The government grant under the recurrent vote is used for the payment of salaries to employees etc. The SLTB earnings amounted to Rs.608 Million and the net profit after tax as Rs.210Million
Local Projects (Rs, Million)	24.5			
Foreign Projects				
Earnings	√			
Physical resources 2022	Authorized	Availability	Used in	
Land Buildings /Labs with necessary Equipment	adequate Adequate lab space, equipment needs repair	√		Freehold Buildings, Office Equipment & Furniture & Fittings Motor Vehicles; Computer Equipment; Library Books; Laboratory Equipment
Vehicles				
<u>Analysis/ Insights</u> Works according to mandate.				

ENTITY / INSTITUTE : SRI LANKA STANDARDS INSTITUTE (SLSI)

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
	423.	34 acting employees	227	The restriction on recruiting technical personnel has affected the output of the institute. Requirements of staff for the different sections need to be identified through the relevant sectional heads.
Finance	Source of Funding	Approved Budget	Available Budget 2023	
Government	-			During the years 2022 and 2023, despite the national economic crises, the Institute was able to generate 102.2% and 123% over recurrent expenditure, revealing the potential for further income generation with enhanced human resources. Recurrent expenditure in 2023 was Rs. 1041 million.
Local Projects				
Foreign Projects	-			
Earnings (Rs. Million)	1290			
Physical resources	Authorized	Availability	Used in 2023	
Land	adequate	√		Central location in Colombo with ready accessibility to stakeholders
Buildings /Labs with necessary Equipment	Adequate lab space, equipment needs repair	√		<ul style="list-style-type: none"> • Laboratories for testing/calibration; • Lab equipment and machinery • Auditoriums • Library with unique collection of literature. It is the only library in the country that has a comprehensive collection of national and international standards contained in Quality Management Journals. The Institution has been designated as the National WTO Enquiry Point for Technical Barriers to Trade (TBT). • Video conferencing facility

Analysis/ Insights Works according to mandate. Fulfills the role of a Strategic business Unit and should be recognized as such.

ENTITY / INSTITUTE: Department of National Botanic Gardens

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023
	906	758	
Finance	Source of Funding	Approved Budget	Available Budget 2023
Government	√		
Recurrent			615.897Mn
Capital			173.50Mn
Local Projects			
Foreign Projects			
Earnings			
Physical resources	Authorized	Availability	Used in 2023
Land	adequate	√	
Buildings /Labs with necessary Equipment	Adequate labspace, equipment needs repair		
Garages	08		
Canteens	09		
Quarters			
Executive	06		
Officer	08		
Primary	15		
Bachelor quarters	14		
Hostels	02		
Circuit bungalows	03		
Dormitory	01		
Office buildings (including field offices and main office premises)	41		
Security rooms	20		
Ticket counters	06		
Toilets	32		
Auditoriums	03		
Summer huts	30		
Boat yards	02		
Labs and research stations	07		
Plant Nurseries	37		
Plant sales centers	08		
Vehicles			

Analysis/ Insights Works according to mandate. Fulfills the role of a Strategic business Unit and should be recognized as such.

ENTITY / INSTITUTE: Hadabima Authority of Sri Lanka

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
Finance	Source of Funding	Approved Budget	Available Budget 2023	
Government	√			
Recurrent			113,090,000	
Capital			76,700,000	
Local Projects				
Foreign Projects				
Earnings				
Physical resources	Authorized	Availability	Used in 2023	
Land	adequate	√		
Buildings /Labs with necessary Equipment	Adequate labspace, equipment needs repair			Infrastructure Development for the field level Road tracer, soil testing kit, clinometer and Dumpy level for field officers. Other Facilities – Internet Facility for all staff Computer for all staff members Transport Facilities for Official Engagement
Vehicles				
<u>Analysis/ Insights</u> Works according to mandate to some extent. Duplication of functions need to be addressed and resource allocation optimized to meet the needs of the country				

ENTITY / INSTITUTE: Field Crops Research and Development Institute

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
				Human Resources' notable status was that 9 out of 41 allocated Assistant Directors (Research) and 188 out of 294 allocated permanent labourers were available. However, non-availability of full cadre positions is a usual phenomenon in the government agriculture sector.
Finance	Source of Funding	Approved Budget	Available Budget 2023	
Government	√			Eighty-three per cent (83%) has been achieved on expenditure against allocation of recurrent and capital expenses. Ninety-five per cent (95%) has been achieved on expenditure against allocation regarding the projects.
Recurrent		29,391,453	N/A	
Capital		11,360,800	N/A	
Local Projects				
Foreign Projects				
Earnings				
Physical resources	Authorized	Availability	Used in 2023	
Land	adequate	√		
Buildings /Labs with necessary Equipment	Adequate labspace, equipment needs repair			Infrastructure and other facilities for research, extension and breeder seed production are available. The decision-making process has no issues.
Vehicles				
Analysis/ Insights Works according to mandate. Duplication of functions need to be addressed and resource allocation optimized to meet research needs of the country.				

National ENTITY / INSTITUTE: Institute of Post-Harvest Management

Human Resource	Approved Cader Positions (Permanent)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement	
	155	117	v Filled positions 52% in the technical divisions and 48% in the supporting divisions. Re-assessment of cadre positions required. v Research officers require experience, international exposure and upgrading of expertise. v Range of expertise needs expansion given the scope and range of technical areas the Institute has to address.	
Finance	Source of Funding (Rs.Million)	Approved Budget (Rs.Million)	Available Budget 2023 (Rs.Million)	Adequacy of Finance Quality of Fund availability Suggestions for improvement Comments / Observations of the Consultants
Government	√	176.26	128.68	The institute has the potential to become a strategic business unit (SBU).
Local Projects	36.27			
Foreign Projects	-			
Earnings	14,215			
Physical resources	Authorized	Availability	Used in 2023	Adequacy of Physical Resource Quality of the Physical resource Suggestions for improvement Comments / Observations of the Consultants
Land	adequate	√		
Buildings /Labs with necessary Equipment	Adequate lab space, equipment needs maintenance			Underutilized due to lack of trained and experienced personnel. Formal affiliation with Rajarata University recommended for better output and outcomes.
Vehicles	10			8 vehicles purchased prior to 2014 (over 10 yrs);

Analysis/ Insights Works according to mandate to some extent. Duplication of functions need to be addressed and resource allocation optimized to meet the needs of the country. Has the potential to become a Strategic business Unit and generate income by supporting value addition technology to potential industries engaged in processing agricultural commodities and waste.

ENTITY / INSTITUTE: Paddy Marketing Board

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
Senior Management Accountant/ Legal Officer Regional Manager Assistant Manager Supporting Staff Total	4 2 7 60 68 141		1 2 7 Head Office - 45 Regional Office – 154 From Ministry – 29 238 (may be with casual staff)	The strategic plan identifies PMB has a team of professionally qualified and well experienced executive and staff with improved skills and responsive Operation related casual staff can be recruited with a minimum permanent staff
Finance	Source of Funding	Approved Budget	Available Budget 2023	
Government	Treasury <ul style="list-style-type: none"> Capital Recurrent Entitlements Bank loans	250 140 2900 6500	- 144.90 2929 6443	The purchase of paddy had to be stopped midway during yala 2022 due to the inability to obtain the loan amount which is expected to be obtained through the Commercial Banks of the government
Local Projects				
Foreign Projects				
Earnings				
Physical resources	Authorized	Availability	Used in 2023	
Land	adequate	√		
Buildings /Labs with necessary Equipment		Large unutilized properties owned such		The infrastructure that is not required to maintain the threshold level of paddy/rice buffer stock can

		as 230,000 MT of storage capacity 3 circuit Bungalows in attractive locations 5 Mills beyond repair		be utilized for other purposes. There is no government entity other than PMB to handle marketing functions for food crops. Therefore the possibility to use these resources to develop
Vehicles	N/A			
Analysis/ Insights				

ENTITY / INSTITUTE: Department of Agriculture (Western Province)

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023
	241	222	
Finance	Source of Funding	Approved Budget	Available Budget 2023
Government	√		
Provincial Development Grants			230Mn
Provincial Specific			48Mn
Local Projects			
Foreign Projects			
Earnings			
Physical resources	Authorized	Availability	Used in 2023
Land	adequate	√	
Buildings /Labs with necessary Equipment	Adequate labspace, equipment needs repair		
Vehicles		11 Cabs, 03 Vans,)5 Jeeps, 08 Lorries and 01 Bus	
Analysis/ Insights The mandate has to be revised to meet current national needs with respect to a wider range of commodities. Resources need to be optimized.			

ENTITY / INSTITUTE: Seed and Planting Materials Development Centre

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
	3194	2545		
Finance	Source of Funding	Approved Budget	Available Budget 2023	
Government	√		1,674.76Mn	
Local Projects				
Foreign Projects				
Earnings				
Physical resources	Authorized	Availability	Used in 2023	
Office/ workshop/ Farm structures Lands Vehicles Machineries and farm equipments Communication facilities Office equipment		√		
Buildings /Labs with necessary Equipment	Adequate labspace, equipment needs repair			
Vehicles				
Analysis/ Insights The mandate is followed. However, resources need to be optimized for better contribution to the agriculture sector.				

ENTITY / INSTITUTE: Palmyrah Development Board

Human Resource	Approved Cader Positions (Permanent)	Available carder positions (New additions/ reduction)	Actual Cader in 2023	Comments / Observations of the Consultants 1.Adequacy of Cader 2.Quality of the human resource (Training & Experience) 3.Suggestions for improvement
	227		183	Staff cader revision required. Inadequate, subject specialized technical staff, engineers (production, marketing, development) to work for sector. There is no clear human resource allocations district wise. Surplus staff in some categories and inadequate staff in some other categories. Staff is not clearly assigned to each function.
Finance	Source of Funding Rs. Million		Available Budget 2023	
Government	154		154	Expenditure against allocation 98.62% where Rs.Million 153.85 was utilized. Rs.65. Million income was generated by their marketing outlets.
Local Projects	-			
Foreign Projects	-			
Earnings	65.3			
Physical resources	Authorized	Availability	Used in 2023	
Land	Adequate	√		
Buildings /Labs with necessary Equipment	Adequate lab space, with well equipped Laboratories.	Funds required for maintenance and repair of Expensive equipment	Some donated equipment not used due to no training.	Accredited Analytical Laboratory: - ISO 17025 Food and Technology Laboratory. The Palmyrah Development Board has Regional Offices in Ampara, Batticaloa, Trincomalee, Kalmunai, Puttalam, Kalpittiya. Mannar, Vavuniya, Mullaithivu, Kilinochchi, Hambantota
Vehicles	32 including tractors & Lorries. Last 4 vehicles received in 2012 -Indian Government grant.			
Analysis/ Insights The mandate has to be revised to optimize available resources and improve output avoid duplication of tasks.				

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