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சிறு தேயிலைத் தோட்டஅபிவிருத்தி அதிகார சபை
Tea Small Holdings Development Authority

වාර්ෂික වාර්තාව
வருடாந்த அறிக்கை
ANNUAL REPORT
2022

අංක 70, පාර්ලිමේන්තු පාර, පැලවත්ත, බත්තරමුල්ල
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VISION



Creation of an economically and socially sustainable community of tea small holders.

MISSION



Development of productivity and quality of the Tea Small Holdings sector through the provision of excellent supportive services.

Message of the Chairman

In the first place, I would express my heartfelt gratitude towards all the parties including the staff of Tea Small Holdings Development Authority led by the General Manager and the affiliated institutions for those who have contributed in properly organizing the pilot purpose by encouraging and improving the living condition of the tea small holdings sector that is contributing for more than 75% of the Tea Industry which is considered as the leading export crop of this country with a 11% contribution to the Gross Domestic Production of Sri Lanka.

Marking the beginning of a transformative era in the Tea Industry at a time when the economy of Sri Lanka is in a severe state of crisis, an island-wide transformative program was implemented by developing the contribution of the tea small holdings sector to the national production up to a value of 75.44% compared to the previous year; by implementing the basic purpose of making the PURE CEYLON TEA brand name to be reached to locals and foreigners under the main three (03) phases of tea new planting, tea replanting and crop rehabilitation; and by executing lots of projects to improve the living condition of tea small holders.

Simultaneously, in order to bring this country a high amount of foreign exchange by exporting quality tea, we worked towards providing the leadership on the implementation of island-wide awareness programs for tea farmers as “Compassion for Quality” in connection with the distribution of quality green tea leaves to tea factories together with the Sri Lanka Tea Board and Tea Research Institute.

Despite the complications in the national economy, a huge amount of money was allocated by the Government to improve the standard of living of tea small holders, and we were able to distribute that to farmers as subsidies.

I admirably appreciate the assistance given to us by Hon. Minister of Plantations, Dr. Ramesh Pathirana, and the staff including the Secretary of the Ministry of Plantations, Mr. Janaka Dharmakeerthi for leading us towards a precise path through providing us with the absolute leadership to successfully achieve the objectives of the Tea Small Holdings Development Authority during a time when Sri Lanka is under economic distress.

Thank You



ආචාර්ය කුමාර ප්‍රියදර්ශන

Chairman

Performance Indicators of Tea Small Holdings Sector - 2022

| No. | Description | 2019 | 2020 | 2021 | 2022 |
|-----|--|---------|---------|----------|----------|
| 1 | Extent of Tea Small Holdings (Hectares) * As per the land registration of Sri Lanka Tea Board | 122,900 | 123,324 | *157,907 | *158,060 |
| 2 | Number of Tea Small Holders | 400,987 | 404,291 | *418,328 | *418,531 |
| 3 | Made Tea production of the Tea Small Holding sector (Million Kilograms) | 225.728 | 205.666 | 223.197 | 189.734 |
| 4 | Percentage of Contribution of the Tea Small Holding sector to the National production | 75.2% | 73.8% | 74.56% | 75.44% |
| 5 | Average Productivity (Made Tea/Kilograms/per Hectare) | 1,938 | 1,766 | *1,414 | *1,200 |
| 6 | Extent of lands of Tea replanting – With STaRR project under incentives (Hectares) | 787 | 946 | 1466 | 1596 |
| 7 | Extent of lands of New Tea planting (Hectares) (Under incentives) | 296 | 424 | 678 | 408 |
| 8 | Percentage of Tea replanting (%) (With STaRR project) (%) | 0.79 | 0.95 | 1.47 | 1.60 |
| 9 | Crop Rehabilitation – Number of plants (Millions) | 1.921 | 2.137 | 3.324 | 2.431 |
| 10 | Tea Small Holdings Development Societies | | | | |
| | No. of Societies | 1,475 | 1,483 | 1,484 | 1,484 |
| | No. of Members | 329,963 | 309,710 | 279,594 | 305,736 |
| 11 | Extention and Advisory Services | | | | |
| | No. of Individual Extention Services | 12,955 | 14,439 | 15,866 | 19,565 |
| | No. of Group Programs | 4,575 | 1,956 | 2,530 | 3,179 |
| | No. of Participated Farmers | 119,265 | 53,068 | 43,138 | 90,451 |
| 12 | Institute's Cost of Operation (per Development Rupee) | 0.65 | 0.55 | 0.38 | 0.27 |
| 13 | Tea Inspection/ Extention Officer – Tea Farmer Ratio | 1:2784 | 1:2807 | 1:3374 | 1.2907 |
| 14 | Average Selling Price of green leaves per Kilogram in Rupees | 80.15 | 92.55 | 90.57 | 182.07 |

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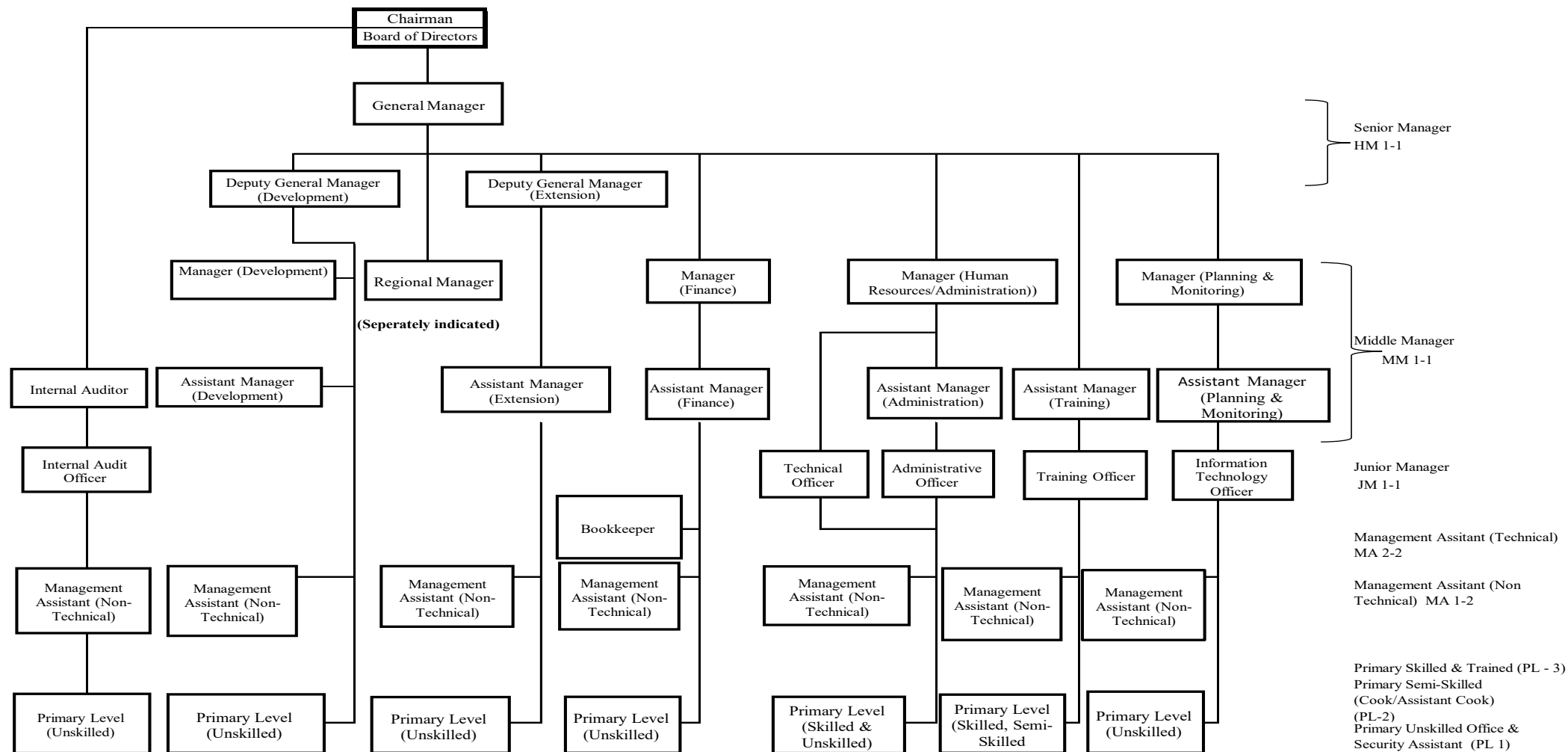


1. Organizational Structure and Basic information of Tea Small Holdings Development Authority

- 1.1. Organizational Structure and Administrative Activities**
- 1.2. Board of Directors and Audit & Management Committee of Tea Small Holdings Development Authority**
- 1.3. Details of the Number of Cadres and the Approved Cadre**
- 1.4. Staff details of the Head Office and Regional Offices**
- 1.5. Executive Summary**

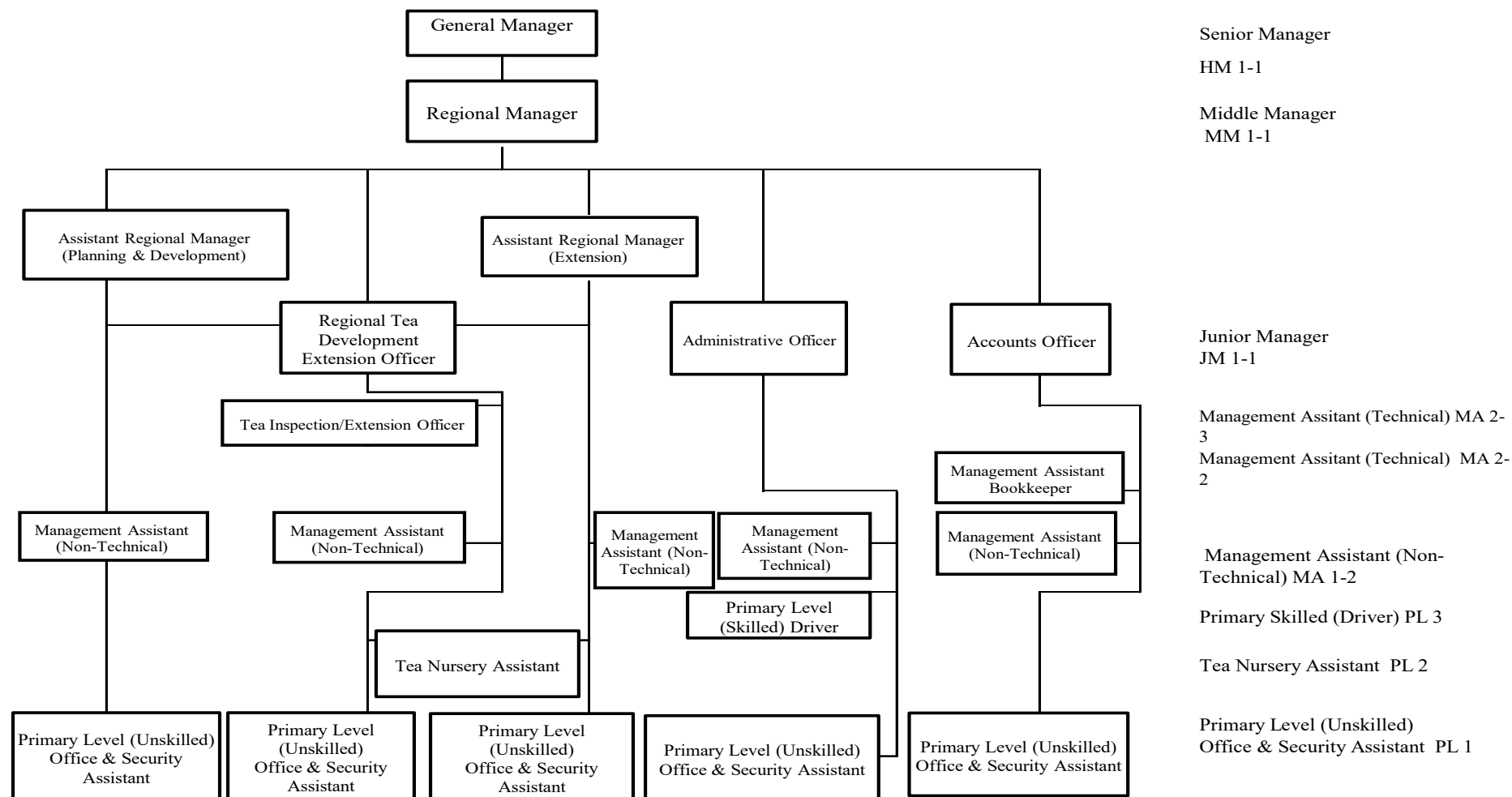
1.1 Organizational Structure and Administrative Activities

1.1.1 Head Office and Hanthana Training Center



Tea Small Holdings Development Authority - Organizational Structure

1.1.2 Regional Offices



Prepared as per the approved cadre of No. DMS/1714 V-II of the Department of Management Services dated at 2017.06.22

1.1.3 Administrative Activities

Recruitment Procedure

Due to the principled decision taken by the government regarding cost control, no recruitment was done in the year 2022.

1.2 Board of Directors and Audit & Management Committee of Tea Small Holdings Development Authority

1.2.1 Board of Directors of Tea Small Holdings Development Authority

| | | | |
|---|--|---|--------------------|
| ✓ | Prof. M. S. Thushara Priyadarshana Chairman Tea Small Holdings Development Authority No: 70, Parliament Road, Pelawatte, Battaramulla. | - | 077 2990680 |
| ✓ | Mrs. W. M. D. T. Wickramasinghe Additional Secretary (Policy and Development) State Ministry of Plantations | - | 071 4484264 |
| ✓ | Miss. M. K. G. Peris Director (Acting) Department Of Development Finance Ministry of Finance Colombo 01 | - | 071 8115950 |
| ✓ | Prof. W. Jinadasa Chairman Adaradeniya Tea Factory, Moravaka Road, Lellawa | - | 077 7906024 |
| ✓ | Prof. Roshan Rajadurei Managing Director Kelani Valley Plantations PLC No. 400, Deans Road, Colombo 10 | - | 077 7743457 |
| ✓ | Mr. C. S. Lokuhetti Chairman Sri Lanka Tea Research Institute Thalawakale, Nuwara Eliya | - | 077 7257356 |
| ✓ | Prof. L.S.K Hettiarachchi Director Sri Lanka Tea Research Institute Thalawakale, Nuwara Eliya | - | 071 2746483 |
| ✓ | Mr. E.A.J.K Edirisinghe Tea Commissioner Sri Lanka Tea Board No. 574, Galle Road, Colombo 03 | - | 071 4491618 |
| ✓ | Mr. K.L Gunarathne Chairman All Island Federation of Tea Small Holdings Development Societies No: 70, Parliament Road, Pelawatte, Battaramulla | - | 071 1975966 |
| ✓ | Mr. Jagath Senarath Pathirana Secretary All Island Federation of Tea Small Holdings Development Societies No: 70, Parliament Road, Pelawatte, Battaramulla | - | 077 7709048 |
| ✓ | Mr. T. H. Richard Member of the Board of Directors Tea Small Holdings Development Authority No: 70, Parliament Road, Pelawatte, Battaramulla | - | 071 8054893 |

10 Director Board meetings were held in the year 2022.



1.2.2 Audit and Management Committee of Tea Small Holdings Development Authority

| | | | | |
|--|---|-------------------------|---|--------------------|
| ✓ Miss. M. K. Peris Ministry of Finance | - | Chairman | - | 071 8115950 |
| ✓ Mr. C. C. Muhandiramge State Ministry of Plantations | - | Committee Member | - | 077 7416878 |
| ✓ Prof. W. Jinadasa Tea Factory Owners' Association | - | Committee Member | - | 077 7906024 |
| ✓ Mrs. H. A. D. Chandanee National Audit Authority | - | Observer | - | 011 2583687 |

02 Audit and Management Committee meetings were held in the year 2022.

Audit and Management Committee Activities

The following key decisions had been taken by the Audit and Management Committee for the year 2022 focusing on the following subject areas.

1. Reviewing the matters disclosed by the internal audit reports and working on accelerating the execution of proposals.
2. Reviewing the Auditor General's report and taking measures on performing necessary adjustments required to prevent the recurrence of deficiencies as shown thereto.
3. Examining the progress of the submission of responses regarding audit inquiries.
4. Inquiring on whether the circulars and regulations are accordingly adhered to and taking necessary measures on revising shortcomings.
5. Inquiring on the delay of submitting Board of Directors' handouts and on the delay of appointing officers for formal disciplinary

decisions and basic inquiries to the Board of Directors and reporting the details of the procedures taken by the Administrative Division on disciplinary procedures to the Audit and Management Committee and to the Board of Directors., etc tasks were carried out.

Table No. - 01

1.3 Details of the Number of Cadres and the Approved Cadre
Tea Small Holdings Development Authority - Details of the Number of Cadre (As at 2022.12.31)

| Designation | Status of Service | Grade | No. of DMS Approved Cadre | | | No. of Existing Cadre | | | | From 2022.01.01 to 2022.12.31 | | | | | | | |
|---|-------------------|--------|---------------------------------|----------|--------|-----------------------|----------|--------|-------|-------------------------------|------------|------------|--------------|-------------------------------|------------------------|-------------|---------|
| | | | Permanent | Contract | Casual | Permanent | Contract | Casual | Other | Recruitment | Promotions | Secondment | Resignations | Vacancies in Discomissions | Employee Detachment | Retirements | Details |
| General Manager | Senior Manager | HM2-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Deputy General Manager (Development) | Senior Manager | HM 1-1 | 1 | - | - | 0 | - | - | - | - | - | - | - | - | - | - | - |
| Deputy General Manager (Extention) | Senior Manager | HM 1-1 | 1 | - | - | 0 | - | - | - | - | - | - | - | - | - | - | - |
| Sub Total | | | 3 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Manager (Human Resources/Administration) | Middle Manager | MM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Assistant General Manager (Services) | Middle Manager | MM 1-1 | - | - | - | - | - | - | 1 | - | - | - | - | - | - | - | - |
| Manager (Finance) | Middle Manager | MM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Manager (Development) | Middle Manager | MM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Manager (Planning & Monitoring) | Middle Manager | MM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Regional Manager | Middle Manager | MM 1-1 | 8 | - | - | 5 | - | - | - | - | - | - | - | - | - | - | - |
| Assistant Manager (Development) | Middle Manager | MM 1-1 | 1 | - | - | 0 | - | - | - | - | - | - | - | - | - | - | - |
| Assistant Manager (Finance) | Middle Manager | MM 1-1 | 2 | - | - | 2 | - | - | - | - | - | - | - | - | - | - | - |
| Assistant Manager (Administration) | Middle Manager | MM 1-1 | 1 | - | - | 0 | - | - | - | - | - | - | - | - | - | - | - |
| Internal Auditor | Middle Manager | MM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Assistant Manager (Extension) | Middle Manager | MM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Assistant Manager (Training) | Middle Manager | MM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Assistant Manager (Planning & Monitoring) | Middle Manager | MM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |

Tea Small Holdings Development Authority | Annual Report - 2022

| | | | | | | | | | | | | | | | | | |
|--|--|-------------|------------|----------|----------|------------|----------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Assistant Regional Manager (Extension) | Middle Manager | MM 1-1 | 8 | - | - | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Assistant Regional Manager (Planning & Development) | Middle Manager | MM 1-1 | 6 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Sub Total | | | 34 | 0 | 0 | 22 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts Officer | Junior Manager | JM 1-1 | 8 | - | - | 8 | - | - | - | - | - | - | - | - | - | - | - |
| Internal Audit Officer | Junior Manager | JM 1-1 | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - |
| Administrative Officer | Junior Manager | JM 1-1 | 9 | - | - | 7 | - | - | - | - | - | - | - | - | - | - | - |
| Regional Tea Development Extension Officer | Junior Manager | JM 1-1 | 26 | - | - | 14 | - | - | - | - | - | - | - | - | - | - | - |
| Training Officer | Junior Manager | JM 1-1 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Information Technology Officer | Junior Manager | JM 1-1 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Technical Officer | Junior Manager | JM 1-1 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Welfare Officer | Junior Manager | JM 1-1 | - | - | - | - | - | - | 1 | - | - | - | - | - | - | - | - |
| Sub Total | | | 47 | 0 | 0 | 30 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tea Inspection/Extension Officer | Management Assistant (Technical)) | MA 2-3 | 144 | - | - | 143 | - | - | - | - | - | - | - | - | - | - | - |
| Bookkeeper | Management Assistant (Technical) | MA 2-2 | 9 | - | - | 7 | - | - | - | - | - | - | - | - | - | - | - |
| Management Assistant | | MA 1-2 | 149 | - | - | 137 | - | - | 12 | - | - | - | - | - | - | - | - |
| Sub-total | | | 302 | 0 | 0 | 287 | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Driver | Primary (Skilled) | PL 3 | 26 | - | - | 23 | - | - | 1 | - | - | - | - | - | - | - | - |
| Assistant Cook | Primary (Semi-Skilled) | PL 2 | 2 | - | - | 2 | - | - | - | - | - | - | - | - | - | - | - |
| Nursery Assistant / Tea Nursery Assistant | Primary (Skilled)/ Management Assistant (Non-Technical)) | PL 2/MA 1-2 | 8 | - | - | 7 | - | - | - | - | - | - | - | - | - | - | - |
| Office & Security Assistant | Primary (Unskilled) | PL 1 | 37 | - | - | 37 | - | - | 8 | - | - | - | - | - | - | - | - |
| Sub Total | | | 73 | 0 | 0 | 69 | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | | 459 | 0 | 0 | 409 | 0 | 0 | 23 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table No. - 02**The Approved Cadre of the Tea Small Holdings Development Authority 2022-12-31**

| The Approved Cadre of the Tea Small Holdings Development Authority - 2022-12-31 (As per the letter No. DMS/1714 V-11 of the Department of Management Services dated at 2017.06.22) | | |
|---|-----------------------|------------|
| Designation | No. of Approved Cadre | |
| 1. Senior Managers | | |
| General Manager | 1 | |
| Deputy General Manager (Development) | 1 | |
| Deputy General Manager (Extension) | 1 | |
| Sub Total | | 3 |
| 2. Middle Managers | | |
| Manager (Human Resources & Administration) | 1 | |
| Manager (Development) | 1 | |
| Manager (Finance) | 1 | |
| Manager (Planning & Monitoring)) | 1 | |
| Regional Manager | 8 | |
| Assistant Manager (Administration) | 1 | |
| Assistant Manager (Finance) | 2 | |
| Assistant Manager (Development) | 1 | |
| Internal Auditor | 1 | |
| Assistant Manager (Extension) | 1 | |
| Assistant Manager (Training) | 1 | |
| Assistant Manager (Planning & Monitoring) | 1 | |
| Assistant Regional Manager (Extension) | 8 | |
| Assistant Regional Manager (Planning & Development) | 6 | |
| Sub Total | | 34 |
| 3. Junior Managers | | |
| Accounts Officer | 8 | |
| Internal Audit Officer | 1 | |
| Administrative Officer | 9 | |
| Regional Tea Development Extension Officer | 26 | |
| Training Officer | 1 | |
| Technical Officer | 1 | |
| Information Technology Officer | 1 | |
| Sub Total | | 47 |
| 4. Management Assistant – Technical | | |
| Tea Inspection/Extension Officer | 144 | |
| Bookkeeper | 9 | |
| Sub Total | | 153 |
| 5. Management Assistant – Non - Technical | | |
| Management Assistant | 149 | |
| Sub Total | | 149 |
| 6. Primary Level - Skilled | | |
| Driver | 26 | |
| Sub Total | | 26 |
| 7. Primary Level – Semi - Skilled | | |
| Cook/ Assistant Cook | 2 | |
| Nursery Assistant | 8 | |
| Sub Total | | 10 |
| 8. Primary Level - Unskilled | | |
| Office & Security Assistant | 37 | |
| Sub Total | | 37 |
| Total | | 459 |

In addition to the above posts, the posts approved as personal to the holder.

- 01 Assistant General Manager Service Post (As per the letter No. DMS/E4/08/5/070/1 of the Department of Management Services dated at 2010.04.27)
- 12 Management Assistant Posts (As per the letter No. DMS/1714, DMS/1714 V-1 of the Department of Management Services dated at 2014.07.03, 2016.08.18)
- 01 Diver Post (As per the letter No. DMS/1714 V-1 of the Department of Management Services dated at 2016.08.18)
- 08 Office Assistant/Laborer Posts (As per the letter No. DMS/1714 V-1 of the Department of Management Services dated at 2016.08.18)
- 01 post of Welfare Officer and 01 post of Office Assistant were accepted be assigned for other institutions under Ministry of Plantation Industries. (As per the letter No. DMS/1714 V-11(T) of the Department of Management Services dated at 2017.05.23)
- As per the letter No. DMS/1714 V-III (oth) of the Department of Management Services dated at 2018.11.29, the designation of the officers in charge was revised as Regional Tea Development Extension Officer

1.4 Staff details of the Head Office and Regional Offices**Head Office****No: 70, Parliament Road, Pelawatte, Battaramulla.****Telephone No.: (- 011-7909020/21)****Fax :- 011-22784925/28 / Email :- gmtshda@gmail.com/ aetshda1@gmail.com****Executive Staff – Head Office**

| | |
|-----------------|------------------------------|
| Chairman | : Prof. M.S.T. Priyadarshana |
| General Manager | : Mr. D.G. Mahipala |

Extension Division

| | |
|---|------------------------------------|
| Deputy General Manager (Extension) - Acting | : Vacant |
| Assistant Manager (Extension) | : Mr. Prabuddha Pathum Weerasuriya |

Development Division

| | |
|--------------------------------------|--------------------------|
| Deputy General Manager (Development) | : Vacant |
| Manager (Development) | : Mr. R.A. Waidyaratne |
| Assistant Manager (Development) | : Mr. A.D.P. Abeythilaka |

Planning & Monitoring Division

| | |
|---|------------------------------|
| Manager (Planning & Monitoring) | : Mrs. M.A. Piyaseeli |
| Assistant Manager (Planning & Monitoring) | : Mrs. W.D C. Krishanthi |
| Information Technology Officer (Acting) | : Mr. J. M. V. N. Madurawela |

Finance Division



Manager (Finance)

: Mr. P.R. Indika Perera

Assistant Manager (Finance)

: Mrs. R.A.C.D.D. Jayathunga

Assistant Manager (Finance)

: Mrs. R.R.W.D. Rathnayake

Human Resources and Administration Division



Manager (Human Resources & Administration)

: Vacant - Mr. Amitha Pasquel
(Performing Duties)

Assistant Manager (Administration)

: Vacant

Administrative Officer

: Mr. Sumudu Gunasekara
(Performing Duties)

Internal Audit Division



Internal Auditor

: Mr. W.W.J.L. Fernando

Internal Audit Officer

: Mr. D. Daminda Priyanjith

Services Division



Assistant General Manager (Services)

: Mr. Amitha Pasquel

Regional Office – Galle – Administrative District: Galle

Walahanduwa Watta, Galle
 Telephone No.: 091-7201126
 Fax : 091-2244382 / Email : tshdaga@gmail.com

Extension Center

Regional Extension Center, Walahanduwa, Galle
 Telephone No: 091-7200815

| | |
|---|--|
| Regional Manager | : Mr. I.U.H. Mohotti |
| Assistant Regional Manager (Extension) | : Vacant Mr. Tharaka Amararuwan (Performing Duties) |
| Assistant Regional Manager (Planning & Development) | : Vacant Mr. Udula Dasantha (Acting) |
| Regional Tea Development Extension Officer | : Mr. M.T. Amararuwan : Mr. H. M. K. G. B. Herath : Mr. T. M. S. L. Priyadarshaka : Mr. K.S.S. Dahanayake (Acting) : Mr. I.D.D. Kumara (Acting) : Mr. S. J. Algewatta (Covering Duties) : Mr. E. G. T. N. Serasinghe |
| Administrative Officer | |
| Accounts Officer | |

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Galle

Regional Office – Matara – Administrative Districts: Matara, Hambanthota

No. 31, Kalidasa Road, Matara

Telephone No.: 041-7200799 / 041-7200394/96

Fax : 041-2226487 / Email: tshdamt@gmail.com



Extension Center

Regional Extension Center, Morawaka, Alapaladeniya

| | |
|--|------------------------------|
| Regional Manager | : Mr. P. A. N. Pushpakumara |
| Assistant Regional Manager (Extension) | : Mr. K. H. L. Sanjeewa |
| Assistant Regional Manager (Planning and Development) (Performing Duties) | : Mr. J. L. Edirisooriya |
| Regional Tea Development Extension Officer | : Mr. J. L. Edirisooriya |
| | : Mr. Mahinda Batagoda |
| | : Mr. J. J. S. S. Deshapriya |
| Administrative Officer | : Mrs. N. V. P. Pushpakumari |
| Accounts Officer | : Mrs. H. M. L. Pushpakumari |

Sub Offices and Tea Inspection Extension Divisions of Regional Office - Matara



Regional Office – Rathnapura – Administrative District: Rathnapura

No 1/28, New Town, Rathnapura

Telephone No.: 045-7201243 / 045-7201904

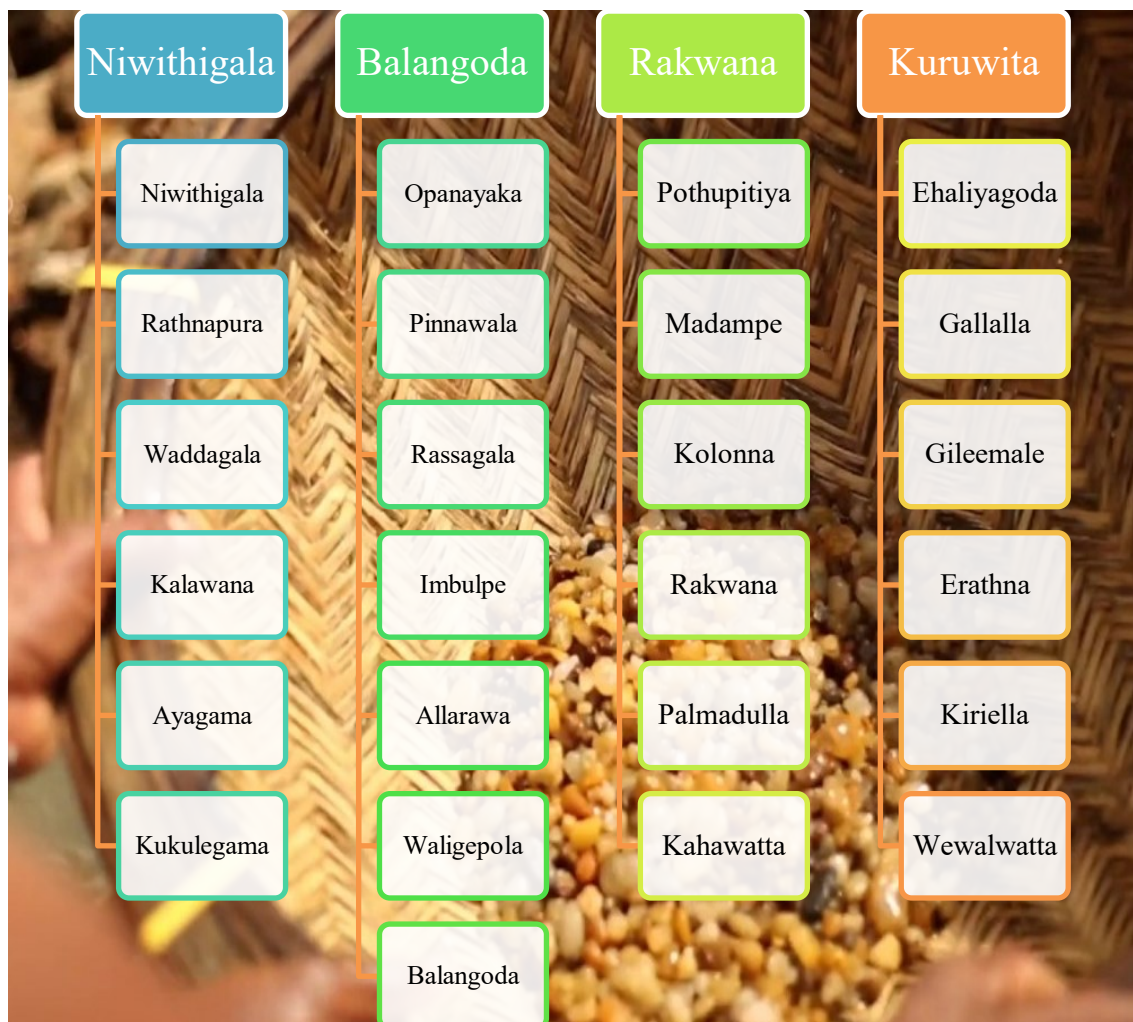
Fax: 045-2228647 / Email: tshdarat@gmail.com

Extension Center

Regional Extension Center, Sannasgama, Lellupitiya.

Telephone No.: 045-7201170

| | |
|---|---------------------------------|
| Regional Manager | : Mr. K. A. B. Padmaraja |
| Assistant Regional Manager (Planning and Development) | : Mr. H. K. Lalith Kumara |
| Assistant Regional Manager (Extension) | : Mr. N. M. Wijesinghe (Acting) |
| Regional Tea Development Extension Officer | : Mr. T. D. K. Balachandra |
| | : Mr. M. A. I. Abeysena |
| Regional Tea Development Extension Officer | : Mr. P. S. K. Perera (Acting) |
| Administrative Officer | : Mrs. Dhammika Weththasinghe |
| Accounts Officer | : Mr. E. G. T. N. Serasinghe |

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Rathnapura

Regional Office – Kandy – Administrative Districts: Kandy, Matale, Kurunegala



No. 2/7/1, Gannoruwa Road, Peradeniya, Kandy
 Telephone No.: 081-7200827 / 081-7200821
 Fax: 081-2389011/ Email:- tshdakan@gmail.com

Extension Center

Regional Extension Center, Sooriyagoda, Muruthalawa
 Telephone No.: 081-7201921

| | |
|---|---|
| Regional Manager | : Mr. S. C. Mudannayaka (Acting) |
| Assistant Regional Manager (Extension) | : Mr. G. N. Yagamuni |
| Assistant Regional Manager (Planning and Development) | : Vacant |
| Regional Tea Development Extension Officer | : Mr. D. M. R. K. B. Dasanayaka : Mr. P. G. P. C. Wijesinghe : Vacant (Three vacancies) |
| Administrative Officer | : Mr. Chamila Bandara Diddeniya |
| Accounts Officer | : Mrs. M. U. L. Shyamalie Premasundara |

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Kandy



Regional Office – Nuwara Eliya – Administrative District: Nuwara Eliya



New Town, Kotmale

Telephone No.: 052-4930265/ 052-4930247

Fax : 052-2259060 / Email : tshdane@gmail.com

Extension Center

Regional Extension Center, Thispane, New Thispane

Telephone No.: 081-7201950

Regional Manager

: Mr. W. T. R. P. Wimalarathne

Assistant Regional Manager (Extension)

: Mr. R. A. S. S. Ranathunga

Assistant Regional Manager (Planning and Development)

: Mr. Nein Gunarathna (Acting)

Regional Tea Development Extension Officer

: Mr. A. T. A. Gunawardhane

: Vacant (Two vacancies)

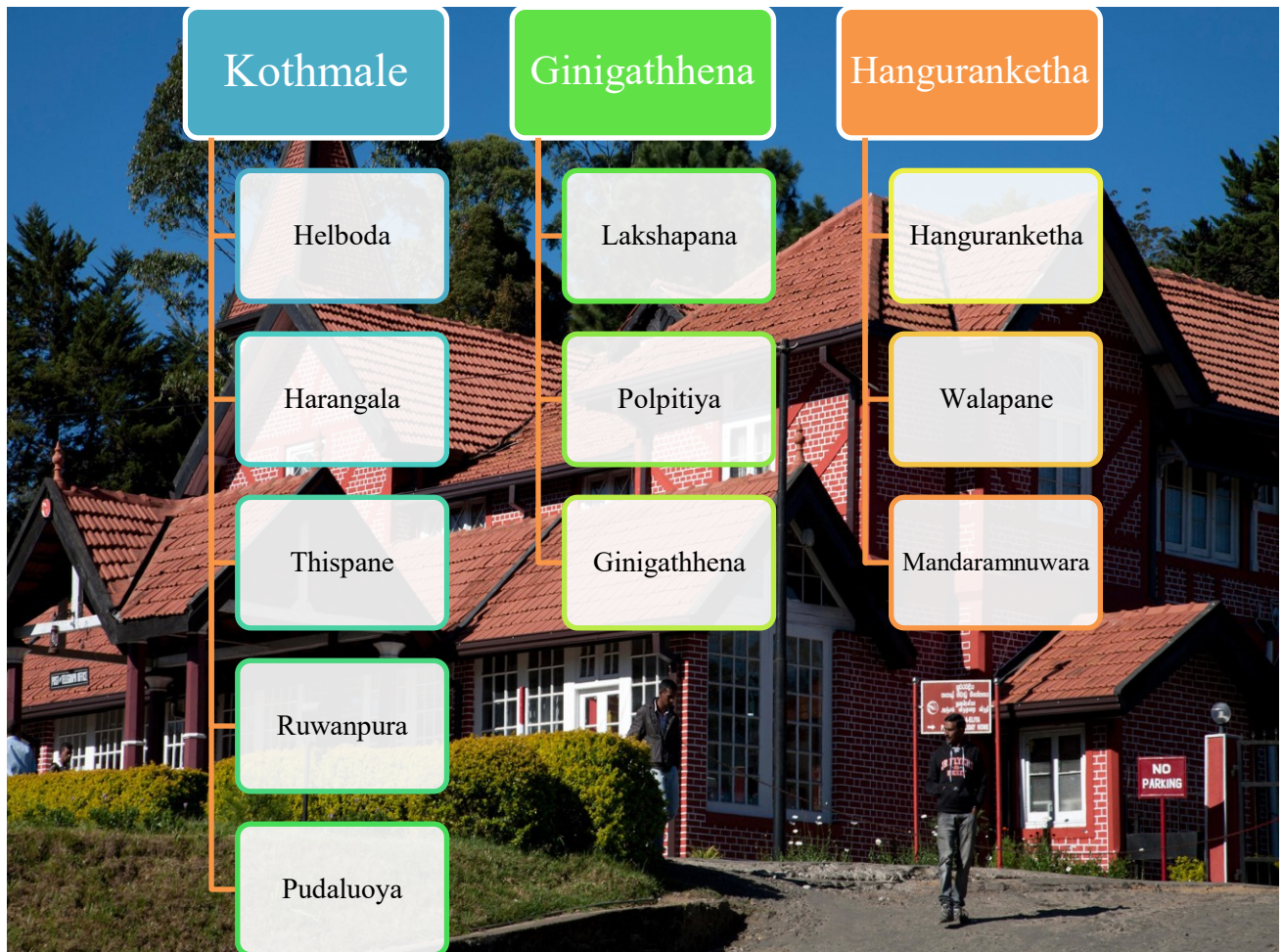
Administrative Officer

: Mrs. M. G. D. A. Pushpakumari

Accounts Officer

: Mrs. D. M. L Nawalage

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Nuwara Eliya



Regional Office – Uva – Administrative Districts: Badulla, Moneragala



New Badulla Road, Bandarawela
Telephone No.: 057-7200241/ 057-7200081
Fax : 057- 2232237 / Email: uvatshda@gmail.com

Extension Center

Regional Extension Center, Bogahamadiththa, Haliela
Telephone No.: 055-2294363

| | |
|--|---|
| Regional Manager | : Mr. W. H. P. S. Wijethunga |
| Assistant Regional Manager (Extension) | : Mr. H. Tharanga De Zoysa |
| Assistant Regional Manager (Planning & Development) (Performing Duties) | : Mr. R. M. A. D. Rathnayake |
| Regional Tea Development Extension Officer | : Mr. H. M. Premakumara : Mr. R. M. A. D. Rathnayake : Mr. H.M Kumarasinghe |
| Administrative Officer | : Mrs. R. D. C. K. Ranathunga |
| Accounts Officer | : Mrs. W. D. M. M. Amarasinghe |

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Uva



Regional Office – Kegalle – Administrative Districts: Kegalle, Gampaha



Iriyagolla, Dehiowita

Telephone No.: 035-7201254 / 035-7201243

Fax: 035-2230163 / Email - tshdake@gmail.com

Extension Center

Regional Extension Center, Hingula.

Regional Manager

Assistant Regional Manager (Extension)

Regional Tea Development Extension Officer

Administrative Officer

Accounts Officer

: Mr. M. R. N. Dhammika (Acting)

: Mr. R. M. P. R. Bandara (Covering Duties)

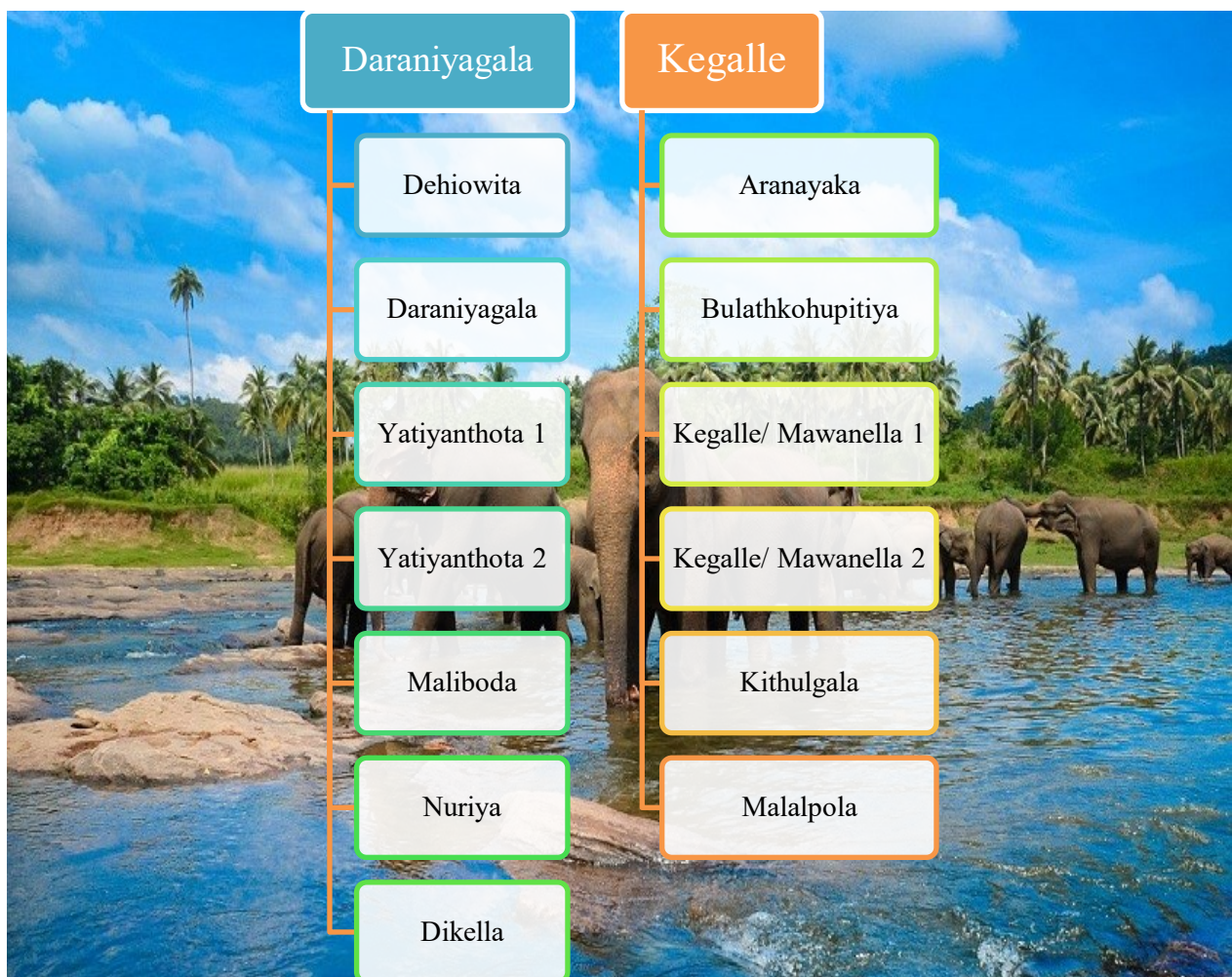
: Mr. R. M. P. R. Bandara

: Mrs. H. M. G. P. Nilmini Kumari

: Mr. H. M. R. J. B Herath

: Mr. R. M. J. B Rathnayake

Sub Offices and Tea Inspection Extension Divisions of Regional Office – Kegalle



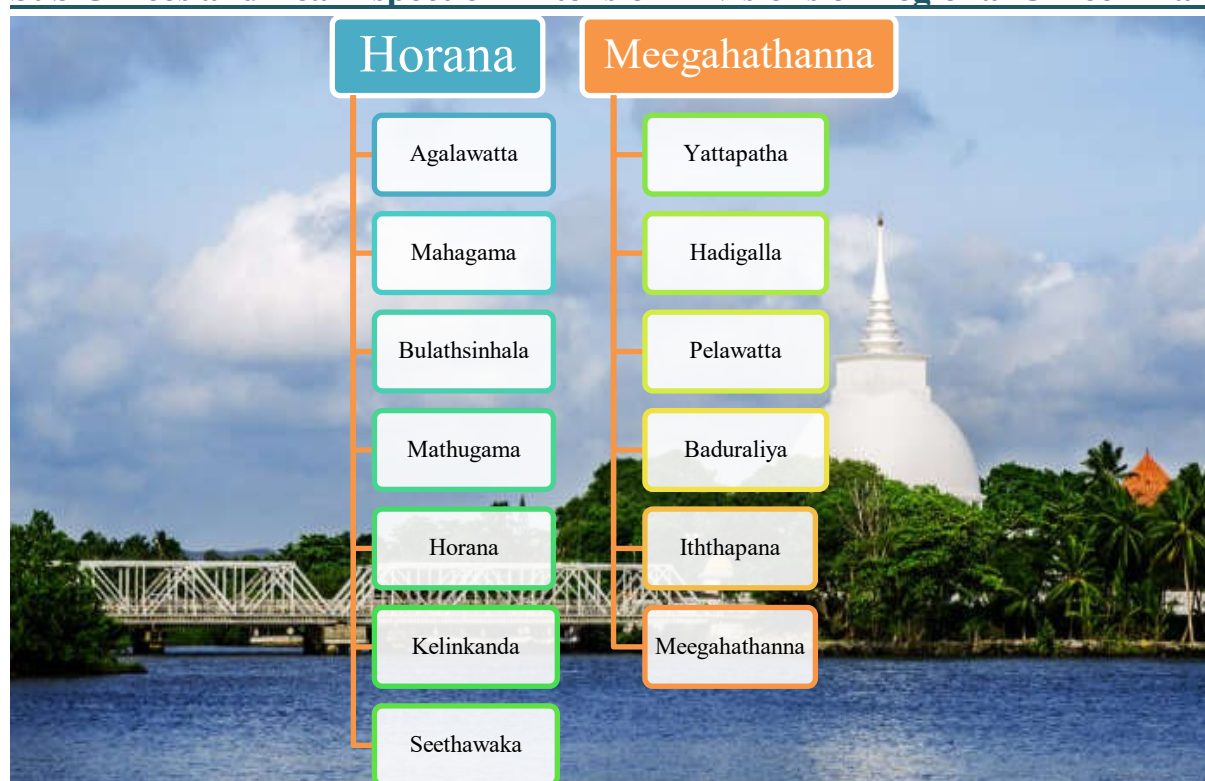
Regional Office – Kaluthara – Administrative Districts: Kaluthara, Colombo



Dadugodayawatte Road, Iddagoda, Mathugama
Telephone No.: 034-7200183 / 034-7201630
Fax : 034-2249690 / Email : tshdakalu@gmail.com

| | |
|--|-------------------------------------|
| Regional Manager | : Mr. S. C. E. Narangaspitiya |
| Assistant Regional Manager (Extension) | : Mr. H. Maddahetti (Acting) |
| Regional Tea Development Extension Officer | : Mr. A. U. Mannage (Acting) |
| | : Mrs. H. P. Pushpa Kumari (Acting) |
| Administrative Officer | : Mr. H. P. Sanjeewa Pushpa Kumara |
| Accounts Officer | : Mrs. P. G. I. Surangika |

Sub Offices and Tea Inspection Extension Divisions of Regional Office - Kaluthara



Rathnasiri Wickramanayaka National Training Institute

5th Milepost, Middle Division, Udawela, Hantana
Telephone No.: 081-7201760/ 081-7201973
Fax: 081-3800679 / Email : tshdantc@gmail.com



| | |
|------------------------------|------------------------------|
| Assistant Manager (Training) | : Mr. H.K.G.I.S.B. Hapuhinna |
| Training Officer | : Vacant |

Tourist Bungalows and Resorts



Hanthana Tourist Bungalows and Resort

5th Milepost, Middle Division, Udawela, Hantana

Telephone No.: 081-7201760/ 081-7201973 WhatsApp - 074 2153886

Number of rooms in the bungalow - 05 (Accommodation facilities - 12)
 Number of rooms in the resort - 16 (The amount of accommodation that can be provided - 46)



Galle Hingalgoda Tourist Bungalow

Hingalgoda, Hiniduma, Galle

Telephone No. : 077 2624246

Number of rooms in the bungalow - 03 (Accommodation facilities - 10)



1.5 Executive Summary



Extent of Tea Small Holdings

From the year 2012, as per the Tea Small Holdings Development Act No.35 of 1975, development and associated services are provided by the Authority only for tea small holdings with an extent of less than 10 acres.

In accordance with the census of registering tea lands launched by the Tea Small Holdings Development Authority in conjunction with the Sri Lanka Tea Board in the year 2016, the extent of registered tea small holdings was 157,838 hectares. Based on the details of that census, the extent of tea cultivated lands updated by the Sri Lanka Tea Board in the year 2022 was 158,060 hectares.

As per the tea lands registration of the Sri Lanka Tea Board in the year 2016, the number of tea small holders was 418,262. As updated by the Sri Lanka Tea Board in the year 2022, the number of tea small holders was 418,531.

Production of the Tea Small Holdings Sector and Contribution to the National Production

The national tea production in the year 2022 was 251.449 million kilograms and the finished tea production of the tea small holdings sector was 189.734 million kilograms. That means that 75.45% of the overall tea production had been produced by the tea small holdings sector.

The maximum production of the tea small holdings sector reported so far was 247.4 million kilograms in the year 2014 and the maximum of the national production reported so far was 340.22 million kilograms in the year 2013.

Compared to the year 2021, the national tea production in the year 2022 was reduced by

16.04% and the production of the tea small holdings sector was also reduced by 15%. Compared to the year 2014 on which the maximum production in the tea small holdings sector was reported, the production in the year 2022 had reduced by about 23%.

As per the data in the last decade, an annual average of 955.5 hectares of land was uprooted for tea replanting with the subsidies of the Authority and tea replanting was annually done on an average extent of 879.1 hectares of land. In accordance with the progress in last 03 years, tea replanting was annually done on an average extent of 831 hectares of land.

Productivity of the Tea Small Holdings Sector

Compared to the previous year, the average productivity of the tea small holdings sector in the year 2022 had increased by 28.24%. Accordingly, the average productivity of the year 2022 was 1,200 kilograms of made tea (finished tea) per hectare. The average productivity in the lowlands was 1,115 kilograms of made tea. It was 1,773 kilograms of made tea in the midlands and 1,540 kilograms of made tea in the highlands. The average productivity in the Uva region had been 1,101 kilograms of made tea.

Extent of Lands of Tea Replanting and Percentage of Replanting

As per the national policy for constant maintenance of the extent of lands of tea plantation obtaining a maximum harvest, it is required to replant an extent of 2% of tea lands per year. Accordingly, as per the extent of lands indicated in the land registration of Tea Board in the year 2022, the extent of lands on which tea replanting should be implemented annually by the Tea Small Holdings sector is about 3,161 hectares.

Since the year 2012, providing land development services and extension services was limited to the lands with an extent less than 10 acres by the Authority. Under the Smallholders Tea & Rubber Revitalization Project, it was targetted to uproot old tea in 4,500 hectares. Permits were issued for 6,229.24 hectares and land preparations were implemented in 3,320.88 hectares under the Smallholders Tea & Rubber Revitalization Project commenced in the year 2016.

Under the Smallholders Tea & Rubber Revitalization Project, up until the year 2022, Soil Rehabilitation part one (1) was completed in 3,218.36 hectares, Soil Rehabilitation part two (2) was completed in 2,882.98 hectares and Plantation was done in 1,746.96 hectares. In the year 2022, progress in Maintenance after one year was achieved in 932.64 hectares.

Tea Replanting

In the year 2022, 900 hectares of tea replantation was targeted, and it was able to plant 912 hectares of tea. Accordingly, in the year 2022, compared to the target of tea replanting, it was a progress percentage of 101.34%.

Tea New Planting

In the year 2022, 300 hectares for tea new planting was targeted, and tea new planting was completed in 408 hectares. Accordingly, compared to the target of tea new planting in the year 2022, it was a progress percentage of 136%.

Crop Rehabilitation

As per the recommendations, planting desolates in tea lands is performed through this program in colloboration with pruning, the usage of soil censervation methods and shade control. Accordingly, 2,500,000 tea plants were targeted on desolate planting for the year 2022 and desolate planting had been completed for

2,431,266 plants. Compared to the target of planting desolates in the year 2022, it was a progress percentage of 91.2%.

Extention and Advisory Services

2,674 group extension programs had been targeted to be conducted in supplying extension & consultation services on improving the productivity of tea small holdings, basically improving the quality of tea leaves, and managing tea-based farms (Table No. 20), and from that, 3,179 had been implemented and it was a progress percentage of 118.8%.

The participation of 74,540 farmers for these programs was targeted and the number of farmers participated was 90,451. The progress percentage of that was 121.34%.

For the year 2022, 12,510 individual extension programs were targeted and by the end of the year, 19,563 individual extension farmer meetings were conducted. Compared to the annual target, it was a progress percentage of 156%.

Demonstration Plots

A land with an extent of ½ acres was selected per every service division and 432 cultivation demonstrations were identified to develop 03 cultivation demonstrations as field farmers training schools. Cultivating in cultivation demonstrations are carried out under the full supervision of Tea Inspection Extension Officers and one farmer has been paid with a maximum of 10,000 Rupees in the year 2022 for the adoption of good agricultural practices in tea plantations.

Institutional Tea Nurseries

To supply the farmers with a quality tea plant, 1,216,028 plants were produced during the year through maintaining 11 tea plant nurseries in a

way that they cover Hanthana Training Center & 06 Regional Offices.

Mother Bush Area Cultivations

Targeted at improving the Tea production and the productivity, and at supplying quality planting materials for farmers, mother bush area cultivations were established in areas belonging to Regional Offices in Galle, Hanthana, Kandy, Kalutara, Matara, Nuwara Eliya, Kegalle, Rathnapura and Uva.

Conducting Institutional Employee Training Programs

Training programs were conducted for the officers at the institution and a training program for all the staff officers at the head office and for all the regional managers, a training program for Executive Officers and four training programs for all the Tea Inspection Extension Officers were conducted. Similarly, three training programs were conducted for Management Assistants. Accordingly, the number of training programs conducted in the year 2022 was 9 and the total cost for those was 1,417,420.00 Rupees.

Tea Small Holdings Development Societies

Tea Small Holdings Development Societies consist of 08 Regional Organizations and the All-Island Federation of societies had been established in the year 1989 and had made them to be legal organizations. At the end of the year 2022, the number of registered Tea Small Holdings Development Societies was 1,484 with 305,736 members.

Sprinkler Water Systems Project

The optimal water supply requirement for tea planting is an annual rainfall of 2500-3000 mm evenly distributed. But most tea lands are primarily water supplied from the annual

rainfall. In such conditions, due to drought weather conditions, the yield of tea planting can be reduced by 20% and beyond that, due to the severe effects of drought, tea plants and tea seedlings those which are economically effective may die. As a solution to this condition, this project has introduced scattered water supply systems to the farmers of tea small holdings.

Direct Tea Planting

In performing tea replanting in accordance with the general procedure, soil enrichment is done during a period of 18 months to improve the condition of soil by applying grass before planting seedlings. During this period, tea farmers will be disentitled to the monthly income received from the corresponding tea planting. This project was introduced to plant seedlings by preparing the lands by removing tea plants in the existing tea plantation using compost fertilizers to improve organic conditions in soil reducing the corresponding soil rehabilitation period.

Livelihood Development Project

The low income earning tea small holders who engage in tea planting are gradually withdrawing due to the inability of fulfilling their daily needs based on the income received from the planting. This project was implemented as a solution to provide subsidies to start small businesses (poultry farming, mushroom cultivation, beekeeping along with providing seedlings of exporting crops) in order to earn an extra income in the vicinity of tea plantations. This was helpful in improving the income level of tea small holders as well as in maintaining food security of their families.

26 Compost Project

In the usage of chemical fertilizer in tea planting, about 30% of fertilizers used in the

plantation are absorbed by the tea plant. It is mainly due to the fact that the exchange of cations required to keep the fertilizers applied in soil is not working properly. Therefore, the efficiency of chemical fertilizers applied to soil in tea plantations through applying compost can be improved. Consequently, actions were taken to provide 1.2 million Rupees per entrepreneur, for 26 entrepreneurs those who were regionally identified, as the subsidy required them to start their own business in producing compost fertilizer needed by tea farmers.

Special Project of 25 million Plants

Through the Special Tea Nursery Project of 25 million Plants initiated and implemented by the Tea Small Holdings Development Authority in the year 2020 under the provisions of the Sri Lanka Tea Board, 603 nurserymen were provided with nursery materials and financial benefits and, 17.32 million shoots were planted out of the 25 million plants expected to be produced.

Mechanization Training Groups

Training a mechanized labor force for the tea field and sending 392 trainers to the field as a remedy to labor shortage and to reduce the high cost of production.

Ratio of Tea Farmers and Tea Inspection/Extension Officer

Even though the ratio of the number of extension officers and farmers needed for productive extension services is about 1: 1000, the ratio of the field officers and tea farmers in the Tea Small Holdings sector in the year 2022 was 1:2906. Accordingly, though the number of officers should be increased to reduce the number of farmers covered, it is difficult to increase the number of officers concerning the limitations in the provisions and cost of the

institution. Therefore, the institution worked on granting assistance from Tea Small Holdings Development societies in providing services.

Price of Green Leaves

In accordance with the national elevation average values in the year 2022, the price paid for one kilogram of Upcountry green tea leaves was 163.36 Rupees as per the prices of Sri Lanka Tea Auction Market. It was 151.58 Rupees for one kilogram of Mid country green tea leaves, 196.70 Rupees for one kilogram in Low country and 182.07 Rupees for the national elevation average value for all the regions.

Hanthana Rathnasiri Wickramanayaka National Training Center and Tourist Bungalow and Holiday Resort

“Rathnasiri Wickramanayaka National Training Center” of the Tea Small Holdings Development Authority is in Hanthana area in Kandy district consisting of an extent of 25 acres. The training center was opened on 13.08.2000 after being purchased by the Janatha Estate Development Board in the month of July in the year 1994 under the Asian Development Loan Scheme.

Investments and Operational Review of the Tea Small Holdings Sector

Investments

The Action Plan was prepared for 740 million Rupees comprising the same 740 million Rupees as the Cost of Development and Institutional Capital and, 461.1 million Rupees of Recurrent Expenses was approved as a provision.

In addition to this, a provision of 1,828.28 million Rupees was allocated under the special project.

Table No. -03

Tea Production in Private Sector and Treasury Funds Receipts – 2008 2022

| Year | Total production of tea (Million Kilograms) | Total production contribution% | | Amount Allocated for Private Sector (Tea Small Holdings Sector) (Million Rupees) |
|------|---|--------------------------------|---------------|--|
| | | Private Sector | Other Sectors | |
| 2008 | 318.46 | 67.4 | 25.9 | 405.30 |
| 2009 | 291.13 | 69.3 | 24.8 | 367.80 |
| 2010 | 331.42 | 69.4 | 23.8 | 394.93 |
| 2011 | 327.53 | 69.9 | 30.1 | 391.59 |
| 2012 | 326.27 | 71.4 | 28.6 | 418.83 |
| 2013 | 340.02 | 72.2 | 27.8 | 520.14 |
| 2014 | 338.03 | 73.1 | 26.9 | 742.94 |
| 2015 | 328.96 | 72.9 | 27.1 | 969.72 |
| 2016 | 292.57 | 74.5 | 25.5 | 1009.45 |
| 2017 | 307.72 | 75.5 | 24.5 | 784.45 |
| 2018 | 303.94 | 75.0 | 25.0 | 850.02 |
| 2019 | 300.13 | 75.21 | 24.05 | 800.00 |
| 2020 | 278.49 | 74.8 | 25.2 | 1,127.00 |
| 2021 | 299.338 | 74.56 | 25.44 | 1,400.00 |
| 2022 | 251.499 | 75.44 | 24.56 | 740.00 |

Source: Sri Lanka Tea Board data

Operational Review

1209.22 million Rupees comprehending 544.352 million Rupees as cost of capital and 665.37 million Rupees for projects included in the Action Plan for the year 2022 were spent on development purposes. In addition to this amount, capital purposes valued at 1671.472 million Rupees comprehending the amount of 461.75 million Rupees payable in projects were completed in the year 2022. The total financial value of the completed purposes in the year was 2107.989 million Rupees comprehending the payments of recurring expenditure valued at 436.517 million Rupees.

Compared to the recurring expenditure of 421.121 million Rupees in the year 2021, it is an increase of 15.39 million Rupees in the year 2022. Compared to the previous year, this is a 3.6% increase of payment.

The cost of capital in the year 2022 comprehending projects was an increase of 494.76 million Rupees and it was increased by 42% over the 1176.711 million Rupees paid in the year 2021.

Table No. -04

Operational Review (From 2008 to 2021)

| Year | Development Cost Rs. '000 | Operational Cost Rs. '000 | Operational Cost per one Development Rupee (Cents) |
|------|---------------------------|---------------------------|--|
| 2008 | 208,255 | 188,725 | 0.91 |
| 2009 | 185,660 | 202,146 | 1.08 |
| 2010 | 189,194 | 205,385 | 1.08 |
| 2011 | 208,407 | 218,527 | 1.04 |
| 2012 | 276,324 | 233,738 | 0.85 |
| 2013 | 440,060 | 238,823 | 0.54 |
| 2014 | 345,104 | 252,774 | 0.73 |
| 2015 | 561,490 | 303,435 | 0.54 |
| 2016 | 561,868 | 314,547 | 0.56 |
| 2017 | 643,092 | 337,053 | 0.52 |
| 2018 | 632,165 | 380,054 | 0.66 |
| 2019 | 628,899 | 410,034 | 0.65 |
| 2020 | 752,760 | 421,121 | 0.55 |
| 2021 | 1,176,711 | 441,656 | 0.38 |
| 2022 | *1,671,472 | 536,517 | 0.27 |

* Development cost including the project cost

Source: TSHDA Progress reports

2. Basic Functions of the Institution

2.1 Institution and it's Role

2.2 Productive Management Strategies and Developmental Outcomes for Statutory Objectives

2.3 Development Functions for Statutory Objectives

2.4 2021-2025 Strategic Plan prepared by the Ministry of Plantations

2.5 Action Plan of the Institution and the Allocation of provisions

2 Basic Functions of the Institution



2.1 Institution and its Role.

The Tea Small Holdings Development Authority was established on 1st February 1977 under the Tea Small Holdings Development Act, No.35 of 1975 of the National State Council.

Thereafter, Act No. 36 of 1991, Act No. 21 of 1997, Act No. 34 of 2003 and Act No. 42 of 2006 had been passed by adding amendments to the main convention.

Objectives

Developing Tea Small Holdings, Increasing the production, Improving the productivity, Marketing tea leaves and Working on the wellbeing of the tea small holders, are the core objectives of the institution.

The Role of the Authority in accordance with the Act

1. Supporting or undertaking the development of the tea small holdings and other tea lands which are deprived of their own means of production.

2. Acquiring or developing the tea factories and other facilities required in the conversion of the yield of those tea lands into production.
3. Enhancing or undertaking the marketing of the products manufactured in these tea lands or in those factories.
4. Taking all the necessary measures with statutory rights & remuneration included on the wellbeing of those who are engaging in the process of converting the yield of those lands into production or in packaging those products; or on supplying or providing facilities & services those which might be required to develop those lands & factories; or else on facilitating the provision of those facilities & services.
5. Formulating procedures on the registration or the administration of tea small holdings development societies, and on the provision of donations to the members of those societies registered with the Authority and on matters related to that.
6. Promoting investments in tea small holdings.
7. Undertaking the process of data collection & data distribution and being known of the development competence of tea small holdings.

8. Providing instructions to the Ministry on appropriate policies and aligning with the other related agencies.

In order to eliminate roles mentioned above in No. 2, 3, 4 from the Tea Small Holdings Development Authority Act and to replace them with other roles, actions on taking necessary measures were in progress.

Apart from these, with effect from 01st January 1978, the Authority had continued performing the roles assigned by Sri Lanka Tea Board from time to time and other relevant roles mentioned below.

1. Implementing the following subsidy schemes on developing the lands, those which are under the management of the private sector.
 - i. Tea Replanting
 - ii. New Tea Planting
 - iii. Infilling
2. Implementing support services such as distributing tea fertilizer, plantation materials, equipment and providing transportation facilities.
3. Implementing extension and consulting services.

2.2 Productive Management Strategies and Developmental Outcomes for Statutory Objectives

The institutional strategy is the results-based management approach for the performance of Statutory objectives. Under that, the institution had performed on accomplishing the goals through annual action plans that were prepared based on the mid-term objectives identified from the year 2020 to the year 2025.

For that, the productivity (Made tea Kilograms) per hectare in the Tea Small Holdings Sector had been identified as the core performance indicator. Accordingly, the field activities had been operated for the average productivity of the highlands, midlands, and lowlands to accomplish the targeted outcome after the annual goals were introduced to the field officers. (The national goal identified for the year 2022 on the tea crop is 2,307 Kilograms of made tea per hectare). The core development goals and achievements used to measure performance in the year 2022 are mentioned below. The updated details on lands in accordance with the land registry of Sri Lanka Tea Board were applied to measure the productivity for the year 2022.

Table No. - 05

Productivity Goals and Performance anticipated by the institution Made tea in Kilograms per hectare (per year)

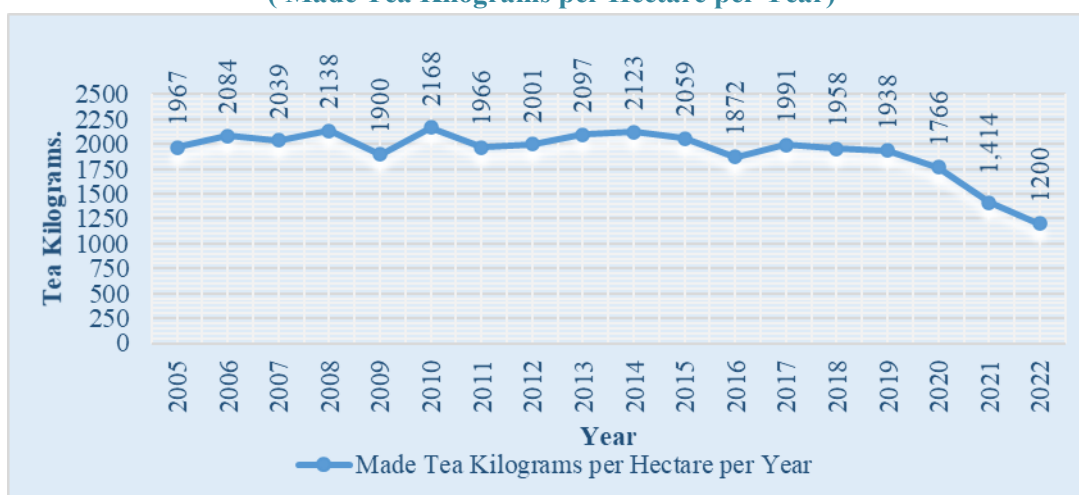
| Area | 2020 | | | 2021 | | | 2022 | | |
|-------------|------------------|-----------------------|--------------|------------------|-----------------------|--------------|------------------|-------------------------|--------------|
| | Target Kilograms | Achievement Kilograms | Percentage % | Target Kilograms | Achievement Kilograms | Percentage % | Target Kilograms | * Achievement Kilograms | Percentage % |
| Low Country | 2,500 | 1,833 | 73% | 2,500 | 1,316 | 53% | 2,500 | 1,115 | 45% |
| Mid Country | 1,700 | 1,418 | 83% | 1,700 | 2,068 | 121% | 1,700 | 1,773 | 104% |
| Uva | 1,600 | 1,403 | 88% | 1,600 | 1,787 | 111% | 1,600 | 1,540 | 96% |
| Average | 2,307 | 1,766 | 77% | 2,307 | 1,414 | 61% | 2,307 | 1,200 | 52% |

Source: The Progress Report – Tea Small Holdings Development Authority

* The performance for the year 2021 was calculated based on the updated details of the tea land registration in the year 2021 due in accordance with the land registration of Sri Lanka Tea Board in the year 2016.

Diagram No. 01

Annual Trend in Average Productivity
(Made Tea Kilograms per Hectare per Year)



Source - Census on Tea Small Holdings– 2005

The performance for the year 2021/2022 was calculated based on the updated details on the extent of tea lands in the year 2022 due in accordance with the land registration of Sri Lanka Tea Board in the year 2016.

2.2.1 Development Plans



1. Increasing production of made tea in Kilograms per hectare per year by
 - a. Up to 2,500 in Low Country
 - b. Up to 1,700 in Mid Country
 - c. Up to 1,600 in Uva in 03 years and annually adopting good agricultural practices in 10% of tea lands.
2. Improving the quality of green leaves up to 60% at factory level in 03 years.
3. Developing the community sources as 'A' Grade societies and it's 25% of the 1,484 Tea Small Holdings Development societies.
4. Establishing an occupational training procedure in a way that all the employee activities are contributing towards the long-term development of the institution.
5. Diverting 10% from the tea lands on additional income earning activities

2.2.2 Strategies in achieving Development Plans

Short-term Strategies

Improving tea production by 7% through training programs related to tea leaves plucking.

Improving tea yields by 8%, educating through conducting training programs on the usage of fertilizer.

Improving tea yields by 6%, educating farmers through conducting training programs and issuing Dolomite required by farmers through societies as well as by providing free Dolomite.

Mid-term Strategies

Increasing tea production by 6% within three years through conducting training programs on performing correct tea pruning.

Improving tea yields by 20% within three years through planting desolates.

Increasing the productivity of tea production through installing sprinkle water systems. Thereby, increasing tea production by 30% within three years.

Long-term Strategies

Increasing the production of green tea leaves by 65% in five years through increasing the extent of replanting lands.

New Planting: Increasing tea production by 70% in five years through increasing the extent of lands.

Improving tea production by 5% through the awareness regarding good agricultural practices and through conducting training programs.

Increasing tea production by 3% in five years through the provision of free shade plants and through conducting training programs for shade management.

2.3 Development Functions for Statutory Objectives

As per the amendments made to the Act in the years 1997, 2003 and 2006 apart from the 04 key statutory objectives based on the Act for the establishment of the institution, actions were taken to perform statutory objectives and related development activities.

2.4 2021-2025 Strategic Plan prepared by the Ministry of Plantations

The strategic plan was prepared with the aim of providing extension and other services to tea small holders in accordance with the 2021-2025 Strategic plan prepared by the Ministry of Plantations in the year 2020 under 05 themes to generate a sustainable tea industry through reducing the cost of production, meeting labor needs with the usage of minimal labor, harvesting despite of traditional methods and increasing the margin of tea production.

The five-year strategic plan was prepared targeted at two key development objectives to achieve those 05 themes.

1. Increasing the annual production of made tea up to 360 million Kilograms by 2025.
2. Increasing the tea export income up to 406 billion Rupees by 2025.

The expected long-term development outcome of the institution has been identified as **“Enhancing the standard of living of tea small holders”**.

Accordingly, by preparing the action plan for the year 2022 based on the long-term, short-term and mid-term strategies identified in correspondence with the 2021-2025 five-year plan made for the development of the tea sector, actions were taken on achieving those objectives.

As the key measurement of the above strategic plan, the production of the tea small holdings sector in the year 2022 has been identified as 237 million Kilograms of made tea. At the end of the year, its progress was 189.734 million Kilograms, and the performance percentage was 80%.

The national production has been identified as 325 million Kilograms of made tea. At the end of the year, its progress was 251.449 million Kilograms, and the performance percentage was 77.4%. The descriptive details of this are indicated in Table No. 06.

Table No. - 06

Expected production Targets of the year in accordance with 2021 – 2025 Strategic Plan Made Tea / Kilogram / Million

| Description | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------|--------|------|------|------|------|
| National Production (Million Kilograms) Target | 278 | 310 | 325 | 335 | 340 | 360 |
| Production of Tea Small Holdings sector (Million Kilograms) Target | 205 | 230 | 237 | 245 | 255 | 280 |
| National Production (Million Kilograms) Progress | 278 | 299.34 | 251 | | | |
| Production of Tea Small Holdings sector (Million Kilograms) Progress | 205 | 223.20 | 189 | | | |
| Percentage of progress | 100% | 97% | 80% | | | |

Source: 05 Year Strategic Plan of the Ministry of Plantations
Information on tea production of Tea Board

2.5 Action Plan and the Allocation of Provisions of the Institution

The Action Plan for the year 2022 is as follows.

As per the national requirement, based on the necessity in maintaining the annual tea replanting ratio at the level of 2%, the Annual Action Plan for the year 2022 was prepared for 740 million Rupees.

Development Activities

To secure the productivity of tea lands and to continuously maintain it, it is 516.35 million Rupees, that means 69.78% of the provision allocations on tea replanting, new planting and planting desolates.

Other Development Activities

In order to increase the productivity of the employees and officers in societies in Tea Small Holdings Development Authority and to manage, 2.78 million Rupees or 0.37% from total allocations was assigned.

Extension Activities

36.74 million Rupees, that means 5% of the total allocations had been allocated on conducting research introduced to the tea industry, on analytical extension consultancy services that educate in strengthening the tea sector and publicity related activities.

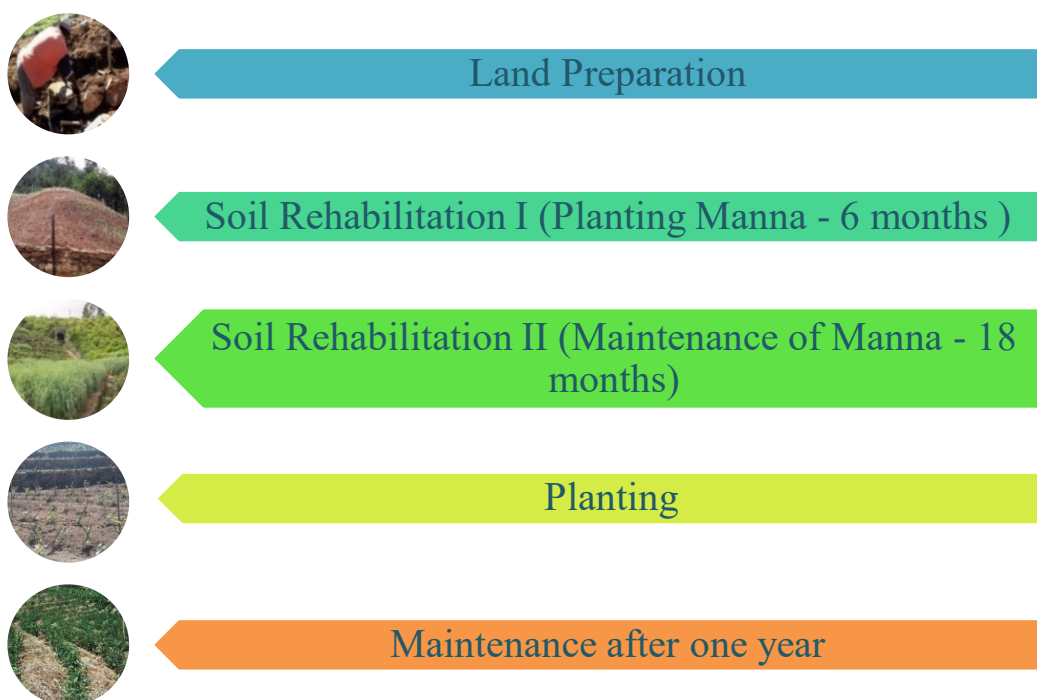
In order to strengthen institutional purposes through the cost of capital in that Action Plan, 44.75 million Rupees or 6% from total allocations was estimated.

Apart from achieving development outcomes aimed by the Action Plan of the Tea Small Holdings sector for the year 2022, 139.38 million Rupees was assigned from the Action Plan prepared for the year 2022 for institutional capital purposes and it was 18.83% from the total provisions.

3 . Development Activities

- 3.1 Tea Replanting Subsidy Scheme
- 3.2 Tea New Planting Subsidy Scheme
- 3.3 Crop Rehabilitation Subsidy Scheme
- 3.4 Tea Shakthi Insurance Benefit Scheme

Tea Replanting



Mid-term Outcome - 01

Goals and Performance based on Mid-term Outcomes

3.1 Tea Replanting Subsidy Scheme

Increasing the production of made tea per hectare within 03 years up to 2,500 kilograms in the Low Country, 1,700 kilograms in the Mid-Country and 1,600 kilograms in Uva.

3.1 The continuation of tea replanting annually at the level of 2%.

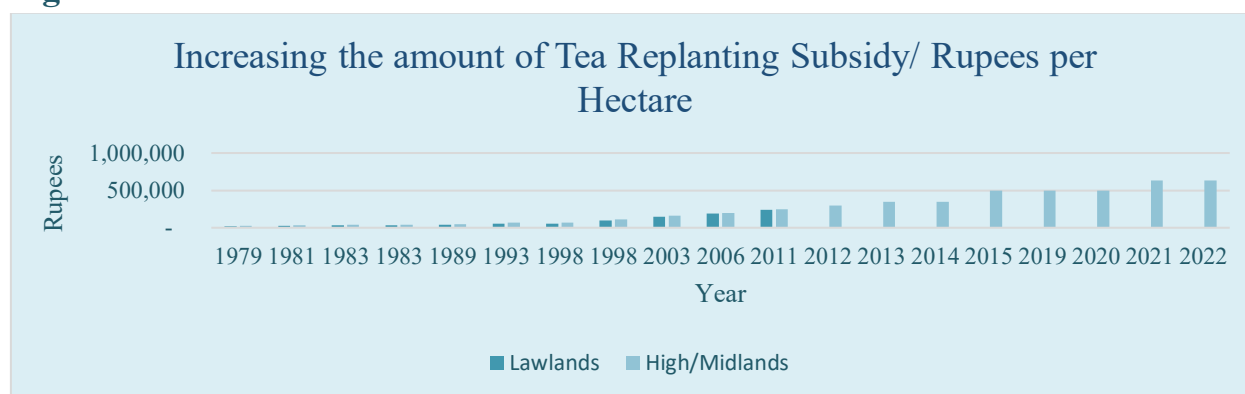
To increase the tea production and the productivity of tea small holdings, tea replanting is implemented to promote replanting approved tea shoots in the old seedling tea lands with low yields and in the lands on which replanting is required based on other reasons.

The amount of the subsidy given on tea replanting to provide concession for the excessive cost incurred in replanting had been increased up to 500,000 Rupees per hectare from the year 2015. However, due to the high cost of cultivation, as the amount of subsidy increased in the year 2015 to reach the target of the national tea production of 360 million Kilograms in the five-year plan up to 2025 is not sufficient, the amount of subsidy was increased up to 630,000 Rupees per hectare in the year 2021. Detailed information on this is given in Diagram No. 2.

In addition to that, targeted at encouraging the farmers on tea new planting, tea new planting lands

with the extent of 20 Perches and 1 Acre (including the Acre) were given to the tea small holders those who have the overall ownership of the lands with the extent of 01 Acre or less or those who do not have a permanent employment in the public or private sector or other permanent source of income. In replanting in the lands with the extent of 20 Perches and half an Acre, after planting seedlings, in proportion with the extent of replanting lands, it was started to pay a monthly incentive of 5,000 Rupees for a maximum of half an Acre for a period of up to 24 months.

Diagram No. - 02



Source: Increased in 2021 as per the Tea Small Holdings Development Authority Plantation Subsidy Circular No. 87

3.1.2 Tea Replanting

Receiving applications from 8,450 farmers for tea replanting was targeted through the Action Plan for the year 2022.

Accordingly, 6,599 farmers had applied for tea replanting and from that amount, permits had been issued for 6,300 farmers. A detailed information on this is given in Diagram No. 03.

Diagram No. - 03

Annual Application for the Tea Replanting Subsidies



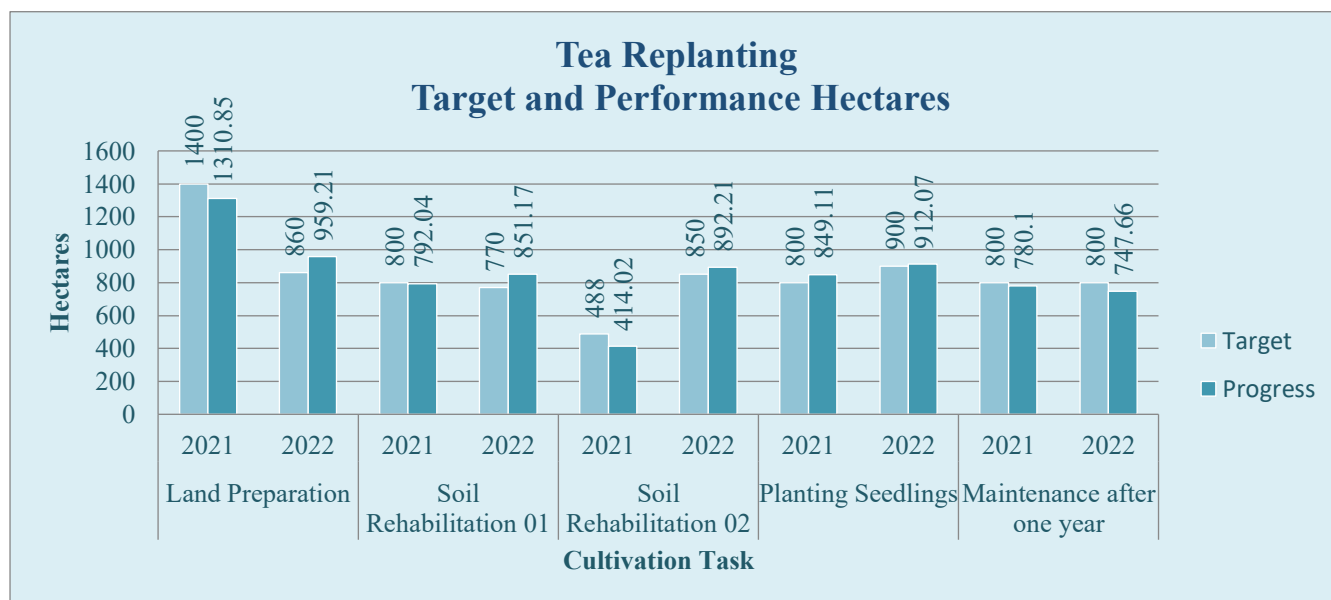
Source: The Progress Report – Tea Small Holdings Development Authority

The Achievement

In the year 2021, the extent of hectares applied by the permit holders to uproot old tea was 1,537. It increased up to 6,372 in the year 2022. At the end of the year, 330.93 million Rupees was paid from the

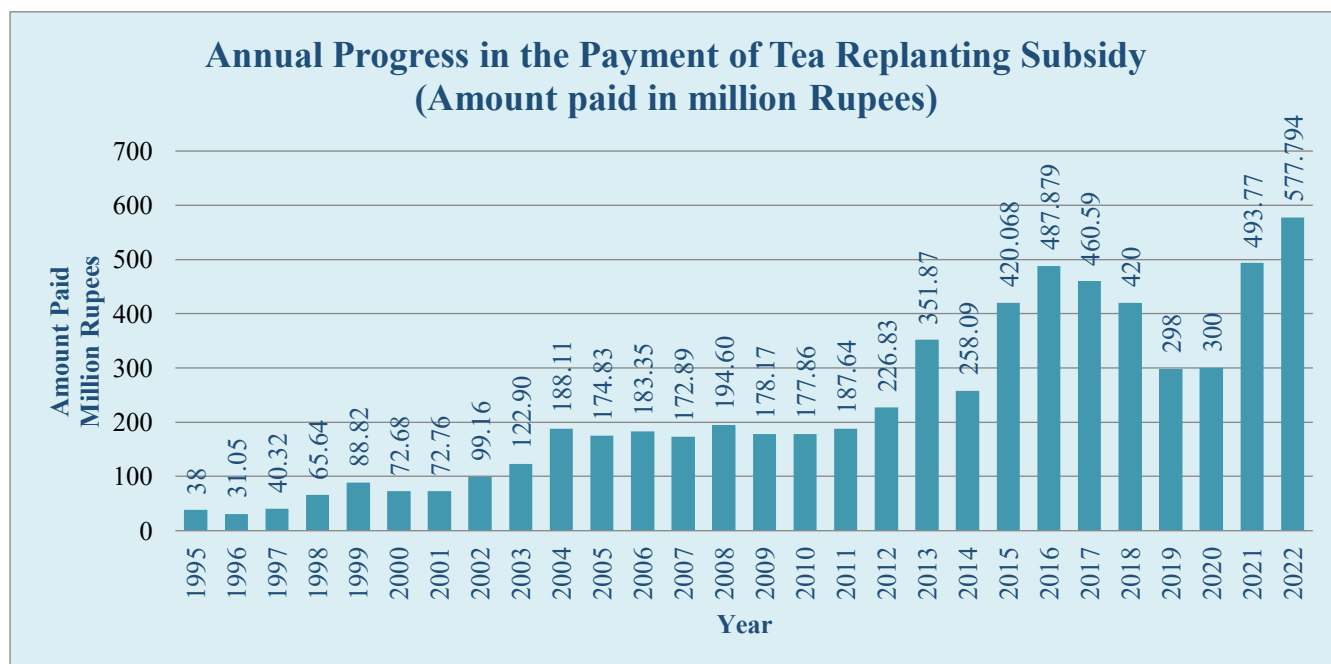
amount of 334.1 million Rupees allocated for five installments in tea replanting. Furthermore, 246.86 million Rupees was paid under the special project. The amount paid for this in the year 2021 was 494 million Rupees.

Diagram No. - 04



Source: The Progress Report – Tea Small Holdings Development Authority

Diagram No. - 05



Source: Final accounts of the Tea Small Holdings Development Authority

Table No. 07

Tea Replanting Subsidy Scheme
The physical achievements in the year 2021/2022 (Hectares)

| Cultivation Task | Year | Lowlands | | | | | High/Mid Lands | | | Total | Annual Target | Percentage of decrease/increase in progress compared to the previous year |
|---|------|----------|-----------|---------|------------|---------|----------------|--------------|--------|--------|---------------|---|
| | | Galle | Kaluthara | Matara | Rathnapura | Kegalle | Kandy | Nuwara Eliya | Uva | | | |
| 1. No. of Applications recieved | 2021 | 2,510 | 554 | 1,892 | 2,449 | 713 | 1,461 | 717 | 1,285 | 11581 | 14,065 | 163 |
| | 2022 | 1,428 | 349 | 1,488 | 945 | 468 | 649 | 514 | 758 | 6,599 | 8,450 | -43 |
| 2. No. of permits issued | 2021 | 2,553 | 548 | 1,844 | 2,450 | 660 | 1,385 | 647 | 1,391 | 11478 | 11,850 | 160.4 |
| | 2022 | 1,379 | 344 | 1,443 | 894 | 397 | 623 | 488 | 732 | 6,300 | 12,402 | - 45.1 |
| 3. Extent of lands covered through permits | 2021 | 743 | 173 | 487 | 871 | 192 | 400 | 153 | 285 | 3304 | 1,537 | 172 |
| | 2022 | 375 | 136 | 398 | 321 | 188 | 230 | 168 | 206 | 2,022 | 2,100 | - 37 |
| 4. Land Preparation | 2021 | 272 | 94 | 261 | 248 | 102 | 117 | 77 | 139 | 1310 | 1,400 | 92 |
| | 2022 | 199 | 66 | 200 | 203 | 79 | 76 | 56 | 81 | 960 | 860 | - 27 |
| 5. Soil Rehabilitation – Installment I | 2021 | 135 | 66 | 151 | 163 | 69 | 87 | 45 | 75 | 791 | 800 | 93 |
| | 2022 | 164 | 50 | 203 | 170 | 81 | 82 | 40 | 61 | 851 | 770 | 8 |
| 6. Soil Rehabilitation – Installment II | 2021 | 53 | 54 | 63 | 96 | 55 | 36 | 32 | 25 | 414 | 488 | -30 |
| | 2022 | 180 | 62 | 226 | 169 | 67 | 80 | 36 | 72 | 892 | 850 | 116 |
| 7. Tea Replanting | 2021 | 169 | 97 | 145 | 195 | 67 | 70 | 44 | 62 | 849 | 800 | 31 |
| | 2022 | 171 | 56 | 233 | 185 | 66 | 67 | 49 | 85 | 912 | 900 | 7 |
| 8. Maintenance after one year | 2021 | 164 | 64 | 142 | 158 | 61 | 113 | 37 | 41 | 780 | 800 | 31 |
| | 2022 | 145 | 77 | 127 | 168 | 52 | 75 | 42 | 62 | 748 | 800 | -100 |
| 9. Amount of Planting Subsidies paid (Million Rupees) | 2021 | 96.00 | 45.00 | 93.00 | 101.00 | 42.00 | 44.00 | 28.00 | 45.00 | 494.00 | 567.00 | 65 |
| | 2022 | 123.507 | 39.024 | 131.989 | 115.85 | 43.30 | 46.991 | 30.782 | 46.347 | 577.79 | 580.96 | 2.4 |

Source: The Progress Report – Tea Small Holdings Development Authority

- ❖ Operated by the special projects assigned under the provisions allocated through the budget speech on land preparation and soil rehabilitation I under tea replanting in the year 2022.

Table No. -08

Execution of Tea Replanting Subsidy Scheme (1983 – 2022)

| Year | Number of Permits issued | Extent of Lands Covered by Permits (Hectares) | Extent of Uprooted Lands (Hectares) | Extent of Cultivated Lands (Hectares) | Annual Expenditure (Million Rupees) | Annual Provisions (Million Rupees) |
|------|--------------------------|---|-------------------------------------|---------------------------------------|-------------------------------------|------------------------------------|
| 1983 | 1,758 | 826 | 454 | 379 | 11.20 | 11.50 |
| 1984 | 2,404 | 1,317 | 466 | 340 | 11.80 | 13.00 |
| 1985 | 1,160 | 823 | 615 | 414 | 16.40 | 8.10 |
| 1986 | 662 | 442 | 547 | 464 | 20.30 | 16.30 |
| 1987 | 630 | 390 | 346 | 349 | 14.00 | 22.80 |
| 1988 | 501 | 321 | 308 | 277 | 10.30 | 18.50 |
| 1989 | 758 | 455 | 246 | 330 | 18.90 | 17.40 |
| 1990 | 4,827 | 2,439 | 478 | 362 | 19.20 | 22.59 |
| 1991 | 3,109 | 1,423 | 581 | 304 | 20.49 | 33.91 |
| 1992 | 1,348 | 526 | 662 | 409 | 20.33 | 27.00 |
| 1993 | 3,699 | 1,147 | 507 | 516 | 29.79 | 32.24 |
| 1994 | 2,627 | 906 | 770 | 553 | 31.62 | 60.46 |
| 1995 | 3,465 | 1,267 | 1,390 | 533 | 38.00 | 41.75 |
| 1996 | 4,475 | 1,319 | 724 | 508 | 31.05 | 43.41 |
| 1997 | 6,235 | 1,580 | 923 | 435 | 40.32 | 68.91 |
| 1998 | 5,507 | 1,586 | 674 | 635 | 65.64 | 61.69 |
| 1999 | 3,660 | 955 | 861 | 767 | 88.82 | 77.95 |
| 2000 | 6,930 | 1,796 | 722 | 519 | 72.68 | 92.84 |
| 2001 | 7,093 | 1,952 | 841 | 574 | 77.76 | 98.85 |
| 2002 | 9,983 | 2,565 | 991 | 736 | 99.17 | 106.57 |
| 2003 | 11,928 | 2,892 | 1,179 | 765 | 122.82 | 150.11 |
| 2004 | 10,618 | 2,621 | 1,398 | 891 | 188.10 | 179.07 |
| 2005 | 9,291 | 2,127 | 1,306 | 1,058 | 174.83 | 182.13 |
| 2006 | 6,755 | 1,578 | 927 | 1,001 | 183.34 | 181.90 |
| 2007 | 5,274 | 1,030 | 1,008 | 1,024 | 172.89 | 214.75 |
| 2008 | 6,945 | 1,337 | 1,128 | 881 | 194.59 | 190.59 |
| 2009 | 6,493 | 1,610 | 925 | 777 | 178.17 | 190.17 |
| 2010 | 7,781 | 1,895 | 1,015 | 847 | 177.85 | 153.00 |
| 2011 | 8,033 | 2,170 | 947 | 772 | 187.64 | 156.26 |
| 2012 | 11,889 | 2,647 | 1,087 | 889 | 226.83 | 300.17 |
| 2013 | 13,802 | 2,928 | 1,188 | 1,165 | 351.87 | 236.75 |
| 2014 | 10,134 | 2,540 | 810 | 720 | 258.09 | 391.75 |
| 2015 | 9,006 | 2,278 | 1,173 | 806 | 420.07 | 464.69 |
| 2016 | 11,076 | 2,597 | 1,356 | 733 | 487.87 | 546.00 |
| 2017 | 12,945 | 3,053 | 899 | 748 | 460.59 | 466.10 |
| 2018 | 5,624 | 1,480 | 909 | 1,027 | 422.69 | 443.10 |
| 2019 | 3,308 | 2,751 | 376 | 639 | 298.31 | 303.72 |
| 2020 | 4,408 | 1,215 | 682 | 649 | 300.4 | 340.50 |
| 2021 | 11,478 | 3,306 | 1310 | 849 | 493.77 | 567.5 |
| 2022 | 6,300 | 2,022 | 960 | 912 | 577.794 | 580.96 |

Source: The Progress Report – Tea Small Holdings Development Authority

Table No. -09

Cost of Production Estimate for Tea Replantation in High and Mid-lands - 2022
 (From uprooting to the phases of tea leaves plucking) Per Hectare / Rupees
 Daily wage of 1,500.00 Rupees

| Sub No. | Activity | Amount | Expenditure | Uprooting | | | Soil Rehabilitation | | | Tea Planting | | | First Year Maintenance | | | Second Year Maintenance | | | Total Cost | | | Percentage of the Total Cost% |
|--|---|--------|-------------|-----------------|-----------------------|------------|---------------------|-----------------------|------------|-----------------|-----------------------|------------|------------------------|-----------------------|------------|-------------------------|-----------------------|------------|-----------------|-----------------------|------------|-------------------------------|
| | | | | First Year | | | Second Year | | | Third Year | | | Fourth Year | | | Fifth Year | | | | | | |
| | | | | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | |
| 1 | Uprooting old tea plants & cleaning-up (40 plants per day in a land where there were 50% of plants) | | | 132 | | 198,000 | | | | | | | | | | | | | 132 | | 198,000 | 5.52 |
| 2 | Forking, levelling & taking-off roots | | | 200 | | 300,000 | | | | | | | | | | | | | 200 | | 300,000 | 8.36 |
| 3 | Preparing slopes, drains & lines | | | 100 | | 150,000 | 40 | | 60,000 | 10 | | 15,000 | 5 | | 7,500 | 5 | | 7,500 | 160 | | 240,000 | 6.69 |
| 4 | Applying Dolomite (1 Kilogram for 9.00 Rupees) | 3952 | 35,568.00 | 2 | 35,568 | 38,568 | | | | | | | | | | | | | 2 | 35,568 | 38,568 | 1.07 |
| 5 | Planting Gauthamala (500 shoots per day) | | | 54 | | 81,000 | | | | | | | | | | | | | 54 | | 81,000 | 2.26 |
| 6 | Applying fertilizer for grass (As 1 Kilogram for 26.00 Rupees for 989 Kilograms) | 1350 | 40,500.00 | 4 | 11,100 | 17,100 | 4 | 18,600 | 24,600 | 1 | 9,300 | 10,800 | | | | | | | 9 | 39,000 | 52,500 | 1.46 |
| 7 | Trimming grass (1 unit of labour per year) | | | 14 | | 21,000 | 56 | | 84,000 | | | | | | | | | | 70 | | 105,000 | 2.93 |
| 8 | Weeding (10 units of labour per year) | | | 30 | | 45,000 | 20 | | 30,000 | 100 | | 150,000 | 120 | | 180,000 | 120 | | 180,000 | 390 | | 585,000 | 16.30 |
| 9 | Planting shade trees (For 100 Accasia & Dadap shoots) & 3.00 Rupees per shoot for 150 Kilograms of Dolomite | 750 | 5,580.00 | 6 | 5,580 | 14,580 | 1 | 242 | 1,742 | | | | | | | | | | 7 | 5,822 | 16,322 | 0.45 |
| 10 | Planting tall shade trees (100 Gravelia trees for 55.00 Rupees each & 100 Kilograms of Dolomite) | 100 | 7,723.00 | 4 | 7,723 | 13,723 | 1 | 108 | 1,608 | | | | | | | | | | 5 | 7,831 | 15,331 | 0.43 |
| 11 | Removing grass | | | | | | | | | 20 | | 30,000 | | | | | | | 20 | | 30,000 | 0.84 |
| 12 | Digging holes, lining & pegging | | | | | | | | | 180 | | 270,000 | | | | | | | 180 | | 270,000 | 7.52 |
| 13 | Tea planting (35.00 Rupees per plant) | 12500 | 437,500.00 | | | | | | | 60 | 437,500 | 527,500 | | | | | | | 60 | 437,500 | 527,500 | 14.70 |
| 14 | Managing shade trees (Two times per year) | | | | | | 6 | | 9,000 | 12 | | 18,000 | 15 | | 22,500 | 15 | | 22,500 | 48 | | 72,000 | 2.01 |
| 15 | Suppressing Blister Blight (200 Grams of Perenox) | 3 | 18,000.00 | | | | | | | 40 | 18,000 | 78,000 | 40 | 18,000 | 130,500 | 40 | 14,000 | 74,000 | 120 | 50,000 | 230,000 | 6.41 |
| 16 | Shaping tea plants in a way that it suits for plucking green tea leaves. | | | | | | | | | | | | 12 | | 18,000 | 15 | | 22,500 | 27 | | 40,500 | 1.13 |
| 17 | Mulching | | | | | | | | | 100 | | 150,000 | 75 | | 112,500 | | | | 175 | | 262,500 | 7.32 |
| 18 | Applying tea fertilizer | 1300 | 39,000.00 | | | | | | | 20 | 36,000 | 66,000 | 20 | 72,000 | 162,000 | | | | 40 | 108,000 | 168,000 | 4.68 |
| 19 | Fourth year | 2500 | 75,000.00 | | | | | | | 60 | | 90,000 | 60 | | 90,000 | 32 | | 48,000 | 152 | | 228,000 | 6.35 |
| 20 | T 750 Fifth year | 1800 | 54,000.00 | | | | | | | | | | | | | | 52,500 | 112,500 | | 52,500 | 52,500 | 1.46 |
| 21 | Infilling | 2000 | 25.00 | | | | | | | | | | 12 | 11,250 | 29,250 | 6 | 11,250 | 20,250 | 18 | 22,500 | 49,500 | 1.38 |
| 22 | Suppressing threat from roundworms (Supplying Curators on 7 Grams per hole) | 88 | 4,840.00 | | | | | | | 4 | 4,840 | 10,840 | | | | | | | 4 | 4,840 | 10,840 | 0.30 |
| 23 | Forking, levelling & taking-off roots for pest control and equipment | | | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 15,000 | 0.42 |
| | Total | | | 546 | 62,971 | 62,971 | 128 | 21,950 | 21,950 | 607 | 508,640 | 508,640 | 359 | 104,250 | 104,250 | 233 | 80,750 | 80,750 | 1873 | 766,561 | 3,588,061 | 100 |
| * The cost estimate is in conformity with the recommendations of the Tea Research Institute and the cost of raw materials & the cost of transportations have also been included. | | | | | | | | | | | | | | | | | | | | | | |
| | Dolomite | 9000 | 9 | | | | | | | | | | | | | | | | | | | |
| | U 625 | 30000 | 30 | | | | | | | | | | | | | | | | | | | |
| | T 750 | 30000 | 30 | | | | | | | | | | | | | | | | | | | |
| | T 200 | 30000 | 30 | | | | | | | | | | | | | | | | | | | |

Table No. -10

Cost of Production Estimate for Tea Replantation in Lowlands - 2022

(From uprooting to the phases of tea leaves plucking) Per Hectare / Rupees
Daily wage of 1,500.00 Rupees

| Sub No. | Activity | Amount | Expenditure | Uprooting | | | Soil Rehabilitation | | | Tea Planting | | | First Year Maintenance | | | Second Year Maintenance | | | Total Cost | | | Percentage of the Total Cost% |
|--------------|---|--------|-------------|-----------------|-----------------------|----------------|---------------------|-----------------------|----------------|-----------------|-----------------------|------------------|------------------------|-----------------------|------------------|-------------------------|-----------------------|----------------|-----------------|-----------------------|------------------|-------------------------------|
| | | | | First Year | Second Year | Third Year | First Year | Second Year | Third Year | First Year | Second Year | Third Year | First Year | Second Year | Third Year | First Year | Second Year | Third Year | First Year | Second Year | Third Year | |
| | | | | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | Units of Labour | Cost of Raw Materials | Total Cost | |
| 1 | Uprooting old tea plants & cleaning-up (40 plants per day in a land where there were 50% of plants) | | | 104 | | 156,000 | | | | | | | | | | | | | 104 | | 156,000 | 3.02 |
| 2 | Forking, levelling & taking-off roots | | | 125 | | 187,500 | | | | | | | | | | | | | 125 | | 187,500 | 3.63 |
| 3 | Preparing slopes, drains & lines | | | 100 | | 150,000 | 40 | | 60,000 | 10 | | 15,000 | 5 | | 7,500 | 5 | | 7,500 | 160 | | 240,000 | 4.64 |
| 4 | Applying Dolomite (1 Kilogram for 9.00 Rupees) | 1976 | 17,784 | 2 | 17,784 | 20,784 | | | | | | | | | | | | | 2 | 17,784 | 20,784 | 0.40 |
| 5 | Planting Gaufhamala (500 shoots per day) | | | 54 | | 81,000 | | | | | | | | | | | | | 54 | | 81,000 | 1.57 |
| 6 | Applying fertilizer fro grass (As 1 Kilogram for 26.00 Rupees for 989 Kilograms) | 1610 | 483,000 | 4 | 111,000 | 117,000 | 4 | 279,000 | 285,000 | 1 | 93,000 | 94,500 | | | | | | | 9 | 483,000 | 496,500 | 9.61 |
| 7 | Trimming grass (1 unit of labour per year) | | | 14 | | 21,000 | 56 | | 84,000 | | | | | | | | | | 70 | | 105,000 | 2.03 |
| 8 | Weeding (10 units of labour per year) | | | 30 | | 45,000 | 20 | | 30,000 | 100 | | 150,000 | 120 | | 180,000 | 120 | | 180,000 | 390 | | 585,000 | 11.32 |
| 9 | Planting shade trees (For 100 Accasia & Dadap shoots) & 3.00 Rupees per shoot for 150 Kilograms of Dolomite | 300 | 4,230 | 8 | 4,230 | 16,230 | 1 | 423 | 1,923 | | | | | | | | | | 9 | 4,653 | 18,153 | 0.35 |
| 10 | Planting tall shade trees (100 Gravela trees for 55.00 Rupees each & 100 Kilograms of Dolomite) | 100 | 7,723 | 6 | 7,723 | 16,723 | 1 | 3,862 | 5,362 | | | | | | | | | | 7 | 11,585 | 22,085 | 0.43 |
| 11 | Removing grass | | | | | | | | | 20 | | 30,000 | | | | | | | 20 | | 30,000 | 0.58 |
| 12 | Digging holes, lining & pegging | | | | | | | | | 180 | | 270,000 | | | | | | | 180 | | 270,000 | 5.22 |
| 13 | Tea planting (35.00 Rupees per plant) | 12500 | 375,000 | | | | | | | 60 | 375,000 | 465,000 | | | | | | | 60 | 375,000 | 465,000 | 9.00 |
| 14 | Managing shade trees (Two times per year) | | | | | | 6 | | 9,000 | 12 | | 18,000 | 15 | | 22,500 | 15 | | 22,500 | 48 | | 72,000 | 1.39 |
| 15 | Suppressing Blister Blight (200 Grams of Perenox) | 3 | 14,000 | | | | | | | 20 | 14,000 | 44,000 | 20 | 14,000 | 44,000 | 20 | 14,000 | 44,000 | 60 | 42,000 | 132,000 | 2.55 |
| 16 | Shaping tea plants in a way that it suits for plucking green tea leaves. | | | | | | | | | | | | 12 | | 18,000 | 15 | | 22,500 | 27 | | 40,500 | 0.78 |
| 17 | Mulching | | | | | | | | | 100 | | 150,000 | 75 | | 112,500 | | | | 175 | | 262,500 | 5.08 |
| 18 | Applying tea fertilizer | 1200 | 355,000 | | | | | | | 20 | 355,000 | 385,000 | 20 | 724,000 | 754,000 | | | | 40 | 1,079,000 | 1,139,000 | 22.04 |
| 19 | Fourth year | 2430 | 724,000 | | | | | | | 60 | | 90,000 | 60 | | 90,000 | 32 | | 48,000 | 152 | | 228,000 | 4.41 |
| 20 | T-750 Fifth year | 1750 | 525,000 | | | | | | | | | | | | | | 525,000 | 525,000 | | 525,000 | 525,000 | 10.16 |
| 19 | Infilling | 2000 | 25 | | | | | | | | | | 12 | 15,000 | 33,000 | 12 | 15,000 | 33,000 | 24 | 30,000 | 66,000 | 1.28 |
| 20 | Suppressing threat from roundworms (Supplying Curators on 7 Grams per hole) | 88 | 4,840 | | | | | | | 4 | 4,840 | 10,840 | | | | | | | 4 | 4,840 | 10,840 | 0.21 |
| 21 | Forking, levelling & taking-off roots for pest control and equipment | | | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | | 3,000 | 3,000 | | 15,000 | 15,000 | 0.29 |
| Total | | | | 447 | 143,737 | 814,237 | 128 | 286,285 | 478,285 | 587 | 844,840 | 1,725,340 | 339 | 756,000 | 1,264,500 | 219 | 557,000 | 885,500 | 1720 | 2,587,862 | 5,167,862 | 100 |

* The cost estimate is in conformity with the recommendations of the Tea Research Institute and the cost of raw materials & the cost of transportations have also been included.

| | | |
|----------|---------|-----|
| Dolomite | 9,000 | 9 |
| U 625 | 300,000 | 300 |
| T-750 | 300,000 | 300 |
| T-200 | 300,000 | 300 |

Tea New Planting



Land Preparation



Planting



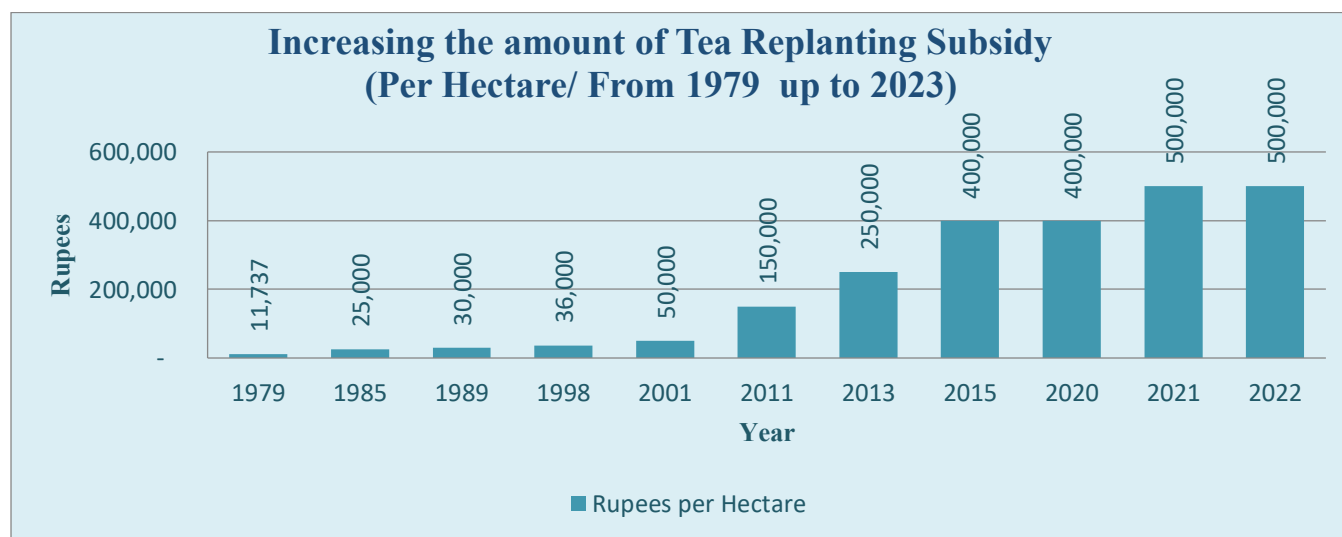
Maintenance after one year

3.2 Tea New Planting Subsidy Scheme

The Tea New Planting Subsidy Scheme that was withheld according to policy decisions from the year 2003 was re-operated in the year 2010. Accordingly, actions were taken to provide provisions for tea new planting under limited provisions for the areas where there are no alternative crops and sources of income.

The permits had been issued for tea new planting on a maximum extent of 01 acre of land. The amount of subsidy paying for tea new planting had been increased up to 400,000 Rupees per one hectare from 2015.01.01. In the year 2021, that amount was increased up to 500,000 Rupees.

Diagram No. - 06



Source: The Progress Report – Tea Small Holdings Development Authority

The Achievement

In the year 2022, the number of applications received for tea new planting was 3,632 and the

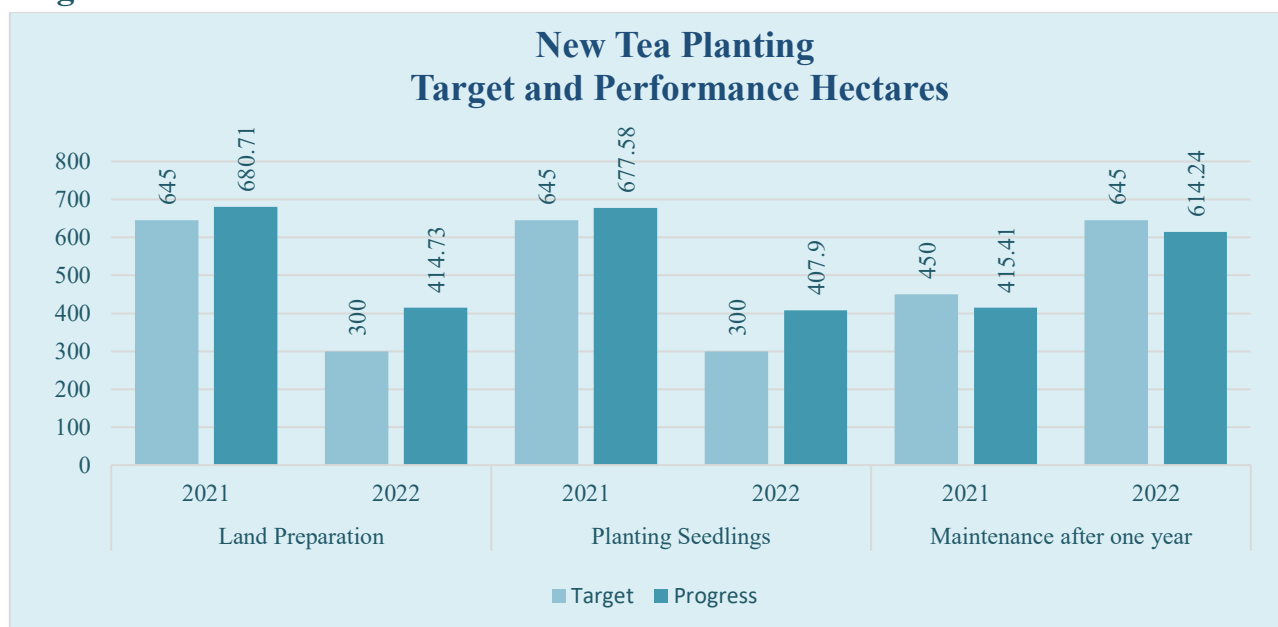
targeted number of applications was 6,901. Considering limited provisions for the year, permits were issued to 3,212 individuals.

It was targeted in the year 2022 to perform land preparation in an extent of 300 hectares and land preparation had been completed in an extent of 414.63 hectares. Accordingly, that extent is a progress of 138.2% as compared to the target.

In the year 2022, 300 hectares were targeted to be cultivated for tea new planting installment and 408

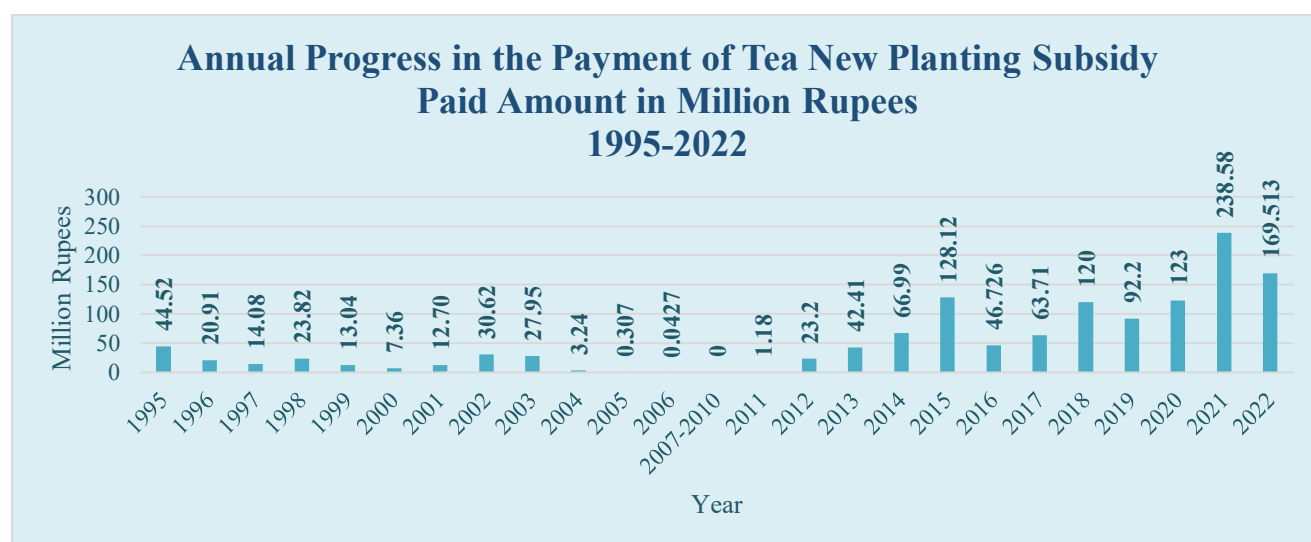
hectares was able to be cultivated. Compared to that target, it was a progress percentage of 136%. In the year 2022, the total amount paid on tea new planting was 32.87 million Rupees. Apart from that, under the special project, the total amount paid was 169.51 million Rupees including the amount of 136.64 million Rupees paid for tea new planting.

Diagram No. - 07



Source: The Progress Report – Tea Small Holdings Development Authority

Diagram No. - 08



Source: The Progress Report – Tea Small Holdings Development Authority

The Tea New Planting Subsidy Scheme had not been implemented from the year 2006 to the year 2010.

Table No. - 11

Tea New Planting Subsidy Scheme
The physical achievements in the year 2021/2022 (Hectares)

| Activity | Year | Lowlands | | | | | High/Mid Lands | | | Total | Targets | Percentage of decrease/increase in progress compared to the previous year |
|--|------|----------|----------|--------|------------|---------|----------------|--------------|-------|--------|---------|---|
| | | Galle | Kalutara | Matara | Rathnapura | Kegalle | Kandy | Nuwara Eliya | Uva | | | |
| 1. No. of Applications recieved | 2021 | 719 | 1239 | 617 | 516 | 1498 | 334 | 195 | 304 | 5422 | 4842 | 51 |
| | 2022 | 612 | 420 | 440 | 431 | 901 | 239 | 193 | 396 | 3632 | 6901 | 49 |
| 2. No. of permits issued | 2021 | 721 | 1230 | 602 | 499 | 1138 | 294 | 132 | 352 | 4968 | 4566 | 50 |
| | 2022 | 607 | 421 | 433 | 393 | 654 | 217 | 185 | 302 | 3212 | 7186 | 55 |
| 3. Land Preparation | 2021 | 102 | 192 | 92 | 80 | 136 | 31 | 12 | 36 | 681 | 645 | 61 |
| | 2022 | 75 | 73 | 56 | 61 | 84 | 23 | 13 | 29 | 414 | 300 | 65 |
| 4. Planting | 2021 | 102 | 192 | 92 | 80 | 135 | 31 | 12 | 34 | 678 | 645 | 60 |
| | 2022 | 75 | 73 | 56 | 61 | 84 | 83 | 13 | 23 | 408 | 300 | 66 |
| 5. Maintenance | 2021 | 56 | 126 | 55 | 49 | 76 | 28 | 10 | 15 | 415 | 435 | 115 |
| | 2022 | 95 | 159 | 88 | 73 | 126 | 29 | 14 | 31 | 615 | 645 | -32 |
| 6. Amount of Subsidy paid (Million Rupees) | 2021 | 35.61 | 66.9 | 33.35 | 28.05 | 46.4 | 11.45 | 4.33 | 12.47 | 238.56 | 236.7 | 93 |
| | 2022 | 29.60 | 34.06 | 24.66 | 24.25 | 33.59 | 9.46 | 5.32 | 8.52 | 169.51 | 168.89 | -40.73 |

Source: The Progress Report – Tea Small Holdings Development Authority

- ❖ Operated by the special projects assigned under the provisions allocated through the budget speech on land preparation and cultivation under tea new planting in the year 2022.

Table No. - 12

Execution of New Tea Planting Subsidy Scheme
1982 - 2022

| Year | Number of Permits issued | Extent of Lands Covered by Permits (Hectares) | Extent of Uplanted Lands (Hectares) | Extent of Cultivated Lands (Hectares) | Annual Expenditure (Million Rupees) | Annual Provisions (Million Rupees) |
|-------|--------------------------|---|-------------------------------------|---------------------------------------|-------------------------------------|------------------------------------|
| 1982 | 1,992 | - | 388 | 316 | 2.9 | 2.4 |
| 1983 | 2,757 | 866 | 393 | 264 | 2.7 | 4 |
| 1984 | 7,754 | 2,667 | 461 | 279 | 2.4 | 3.2 |
| 1985 | 7,754 | 1,764 | 857 | 599 | 9.5 | 6.3 |
| 1986 | 4,999 | 1,982 | 1,586 | 1,430 | 30.5 | 9.3 |
| 1987 | 3,939 | 1,375 | 1,218 | 1,183 | 26.5 | 13.5 |
| 1988 | 3,737 | 1,323 | 814 | 878 | 19.7 | 29.7 |
| 1989 | 4,532 | 1,837 | 1,013 | 1,011 | 34.9 | 34.2 |
| 1990 | 12,680 | 3,937 | 1,676 | 1,647 | 44.6 | 39.9 |
| 1991 | 3,785 | 1,120 | 2,088 | 1,843 | 57.8 | 42 |
| 1992 | 10,533 | 4,163 | 1,954 | 1,948 | 52.2 | 58 |
| 1993 | 12,318 | 2,720 | 1,753 | 1,622 | 51.57 | 50.57 |
| 1994 | 8,106 | 1,803 | 2,339 | 1,661 | 50.95 | 66.5 |
| 1995 | 5,822 | 134 | 2,407 | 1,237 | 44.52 | 49.8 |
| 1996 | 2,176 | 378 | 486 | 450 | 20.91 | 18.78 |
| 1997 | 3,797 | 576 | 340 | 293 | 14.08 | 9.08 |
| 1998 | 4,284 | 632 | 315 | 381 | 23.82 | 13.5 |
| 1999 | 6,694 | 952 | 484 | 405 | 13.04 | 12.24 |
| 2000 | 3,674 | 671 | 433 | 256 | 7.36 | 9.03 |
| 2001 | 6,353 | 1,084 | 419 | 399 | 15.58 | 11.91 |
| 2002 | 12,338 | 2,542 | 567 | 562 | 30.62 | 20.86 |
| *2003 | - | 654 | 647 | 642 | 27.95 | 24.94 |
| 2004 | - | - | - | 12 | 3.25 | 7.94 |
| 2005 | - | - | 1.42 | 8 | 0.3 | 2.42 |
| 2006 | - | - | 0.33 | 0.83 | 0.042 | 0.37 |
| 2011 | 430 | 45 | 28.14 | 28.38 | 1.18 | 2.08 |
| 2012 | 2,990 | 517 | 260 | 239 | 23.2 | 24 |
| 2013 | 2,872 | 543 | 258 | 263 | 42.41 | 3.6 |
| 2014 | 5,315 | 1,034 | 426 | 401 | 66.98 | 51.5 |
| 2015 | 4,239 | 846 | 475 | 479 | 128.12 | 128.88 |
| 2016 | 458 | 75 | 103 | 109 | 46.72 | 49.77 |
| 2017 | 2,324 | 349 | 211 | 202 | 63.71 | 71.12 |
| 2018 | 3,899 | 681 | 443 | 435 | 12.168 | 117 |
| 2019 | 2,887 | 567 | 29 | 295 | 91.69 | 92 |
| 2020 | 3,304 | 661 | 422 | 424 | 123.4 | 117 |
| 2021 | 4,968 | 1,076 | 681 | 678 | 238.56 | 237.3 |
| 2022 | 3,212 | 694 | 414 | 408 | *169.513 | *168.89 |

* The Subsidy Scheme was not executed from the year 2003 to the year 2010.

* The progress was indicated comprehending the money assigned and spent for special projects.

Source: Progress Report – Tea Small Holdings Development Authority

Crop Rehabilitation in Tea Plantation



Stage I - Planting



Stage II - Maintenance after one year

3.3 Crop Rehabilitation Subsidy Scheme

In practicing the recommended pruning in the tea leaves plucking vegetative propagated tea lands targeted at improving the unit productivity, incentives have been paid through the Crop Rehabilitation Subsidy Scheme on the completion of infillings, methods of soil conservation (Repairing drainage systems/ stone ridges) and the shade management integrated with other practices of cultivation (Pruning, Weeding).

The lands on which the tea planting could be productively continued within next 10 years would be recommended for this Subsidy Scheme and, the tea lands those which are in the phase of pruning or those which exceeded 4 years of age would make them eligible for granting subsidies.

Under this subsidy scheme, subsidies are paid in 2 installments for a maximum of 1000 seedlings per acre based on the rehabilitation of the tea leaves plucking tea plantations on which the infillings those which are assembled from place to place and scattered individually, are provided.

The first installment for a desolate plant was increased up to 75.00 Rupees only for the permits issued after 01.01.2019 and the maximum extent of lands provided per year for a tea small holder had been increased from 01 acre (0.4047 hectares) to 02 acres (0.8094 hectares).

In order to grant subsidies under this subsidy scheme, it is recommended to maintain Manna grass in the place of planting desolates for a minimum of

1 ½ years or applying 02 kilograms of compost fertilizer per hole when planting those seedlings. Furthermore, subsidies cannot be applied for the next 04 years.

Table No. -13

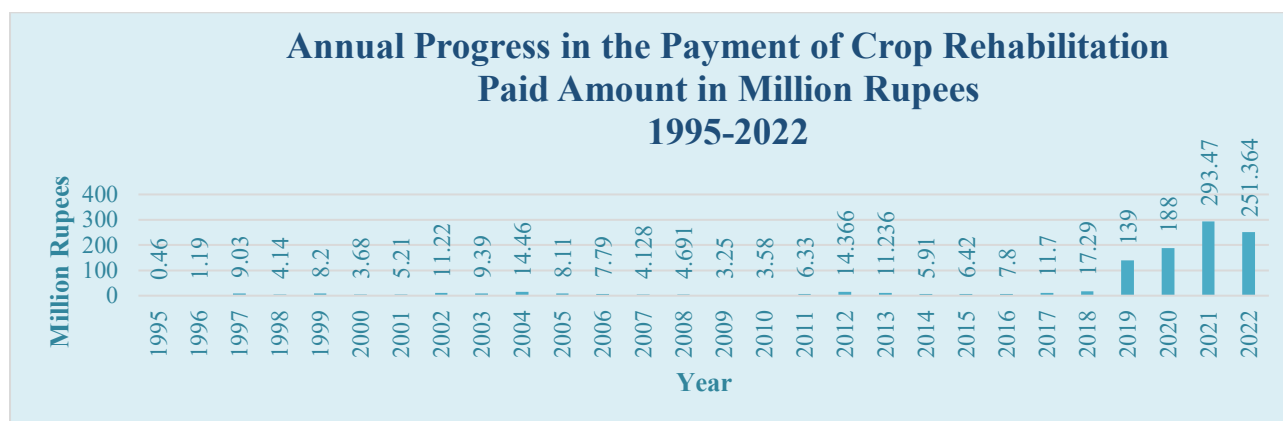
Crop Rehabilitation (Infilling) Subsidy Scheme
The physical achievements in the year 2020/2021 (Hectares)

| Activity | Year | Lowlands | | | | | High/ Mid Lands | | | Total | Targets | Percentage of decrease/increase compared to the previous year |
|--|------|----------|----------|---------|------------|---------|-----------------|--------------|---------|-----------|-----------|---|
| | | Galle | Kalutara | Matara | Rathnapura | Kegalle | Kandy | Nuwara Eliya | Uva | | | |
| 1. No. of Applications received | 2021 | 1256 | 561 | 1232 | 1200 | 895 | 1530 | 759 | 801 | 8,234 | 14,038 | -3 |
| | 2022 | 1,071 | 344 | 1,148 | 859 | 636 | 1,033 | 765 | 1,075 | 6,931 | 13,169 | -16 |
| 2. No. of permits issued | 2021 | 1,272 | 561 | 1,198 | 1,145 | 606 | 1,368 | 508 | 903 | 7,561 | 13,155 | -3 |
| | 2022 | 1,051 | 343 | 1,117 | 823 | 460 | 954 | 668 | 706 | 6,122 | 11,020 | -19 |
| 3. Targeted No. of plants | 2021 | 535,000 | 200,000 | 460,000 | 500,000 | 300,000 | 500,000 | 200,000 | 305,000 | 3,000,000 | 3,000,000 | 50 |
| | 2022 | 445,000 | 217,000 | 445,000 | 415,000 | 215,000 | 355,000 | 185,000 | 223,000 | 2,500,000 | 2,500,000 | -17 |
| 4. No. of plants on which the first installment was paid | 2021 | 862,486 | 157,297 | 541,994 | 522,733 | 207,020 | 499,546 | 146,210 | 386,738 | 3,324,024 | 3,000,000 | 56 |
| | 2022 | 409,281 | 145,317 | 440,732 | 432,480 | 184,498 | 395,918 | 170,299 | 252,741 | 2,431,266 | 2,500,000 | -27 |
| 5. No. of plants on which the second installment was paid | 2021 | 399,464 | 110,781 | 345,613 | 284,736 | 115,522 | 381,134 | 91,609 | 147,199 | 1,876,058 | 2,000,000 | 51 |
| | 2022 | 525,891 | 122,354 | 474,866 | 452,243 | 148,612 | 469,914 | 176,909 | 296,677 | 2,667,466 | 3,000,000 | 42 |
| 6. Amount of Subsidy paid (Million Rupees) | 2021 | 72.34 | 14.5 | 49.95 | 45.88 | 17.77 | 46.83 | 13.94 | 32.26 | 293.47 | 275 | 56 |
| | 2022 | 37.76 | 14.90 | 44.58 | 43.73 | 17.58 | 48.18 | 17.96 | 26.64 | 251.36 | 337.5 | -16.75 |

Source: The Progress Report – Tea Small Holdings Development Authority

❖ Operated by the special projects assigned under the provisions allocated through the budget speech on level I under crop rehabilitation in the year 2022.

Diagram No. - 09



Source: The Progress Report – Tea Small Holdings Development Authority

The Achievement

In the year 2022, the number of individuals applied for the Crop Rehabilitation Subsidy Scheme was 6,931. From this amount, permits were issued for 6,122 individuals. Compared to the year 2021, the number of applications received declined by 16% and the number of permits issued had also been declined by 19%.

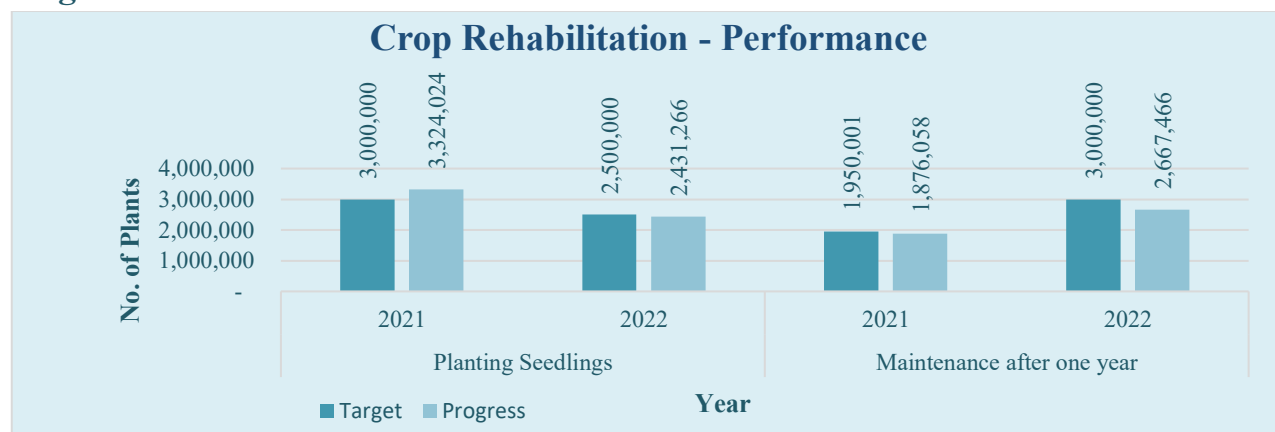
The first installment was paid on 2,431,266 plants during the year, and it was a progress of 97% from the targeted number of 2,500,000 plants. Compared to the previous year, the number of plants on which the first installment paid declined by 27%. After one year of maintenance, as the second installment, the targeted number of plants was 3,000,000.

Compared to the targeted amount, it was a progress of 89% from the targeted number of 2,667,466 plants.

Compared to the previous year, the number of plants on which the second installment paid increased by 42% due to the increase in the number of cultivated plants in the previous year.

In the year 2021, 293.47 million Rupees was paid as subsidies for Crop Rehabilitation, and including the special project, 251.364 million Rupees was paid for the year 2021. Compared to the previous year, it was a decreased payment of 42.106 million Rupees. The corresponding payment details are shown in Table No. 14 and the achievement related details are shown in Diagram No. 10.

Diagram No. - 10



Source: The Progress Report – Tea Small Holdings Development Authority

Table No. -14

Execution of Crop Rehabilitation Subsidy Scheme
1988-2022

| Year | Number of Plants on which permits were issued | Number of Plants on which the first installment was paid | Number of Plants on which the second installment was paid | Total amount of the Subsidy paid (Million Rupees) | Annual Provisions (Million Rupees) |
|--------|---|--|---|---|------------------------------------|
| 1988 | 5,121,825 | 3,861,892 | 2,496,705 | 10.00 | 19.37 |
| 1989 | 3,903,899 | 4,257,670 | 3,377,046 | 13.30 | 19.60 |
| 1990 | 3,847,466 | 2,986,998 | 2,975,849 | 9.32 | 7.20 |
| 1991 | | 1,029,987 | 3,528,586 | 8.95 | 9.04 |
| 1992 | | 235,404 | 1,148,371 | 2.49 | 5.00 |
| 1993 | | 6,607 | 1,658 | 0.30 | |
| 1994 | | 16,432 | 46,030 | 0.12 | |
| 1995 | | 20,298 | 7,073 | 0.46 | 2.45 |
| *1996 | | 13,278 | 3,181 | 1.19 | 15.20 |
| **1996 | 5,600,900 | 3,867,981 | | | |
| **1997 | 6,965,923 | 5,301,839 | | 9.03 | 12.00 |
| 1998 | | 1,707,845 | | 4.14 | 15.02 |
| *1999 | | | 14,012 | 8.20 | 11.16 |
| **1999 | 617,120 | 2,454,895 | 1,846,445 | | |
| 2000 | 2,713,972 | 812,174 | 389,248 | 3.68 | 11.54 |
| 2001 | 1,412,860 | 1,078,708 | 209,534 | 5.68 | 11.54 |
| 2002 | 4,031,727 | 2,522,872 | 486,948 | 11.22 | 10.38 |
| 2003 | 3,012,892 | 1,636,901 | 380,013 | 9.38 | 12.00 |
| 2004 | 2,303,061 | 1,489,167 | 593,906 | 14.46 | 12.99 |
| 2005 | 1,566,327 | 1,242,648 | 776,661 | 8.11 | 12.37 |
| 2006 | 972,913 | 520,610 | 540,819 | 7.79 | 8.58 |
| 2007 | 1,092,856 | 516,471 | 308,325 | 4.13 | 6.00 |
| 2008 | 836,729 | 519,607 | 404,331 | 4.84 | 3.00 |
| 2009 | 995,822 | 431,699 | 232,217 | 3.25 | 3.59 |
| 2010 | 769,104 | 424,227 | 254,715 | 3.58 | 5.00 |
| 2011 | 1,379,734 | 504,322 | 182,401 | 6.32 | 9.24 |
| 2012 | 1,902,051 | 766,991 | 345,152 | 14.35 | 8.66 |
| 2013 | 1,060,634 | 497,592 | 420,611 | 11.24 | 6.00 |
| 2014 | 776,271 | 271,015 | 232,034 | 5.91 | 17.50 |
| 2015 | 754,170 | 308,950 | 199,923 | 6.43 | 6.00 |
| 2016 | 981,075 | 367,876 | 246,339 | 7.80 | 10.48 |
| 2017 | 1,290,408 | 564,145 | 297,068 | 11.70 | 17.29 |
| 2018 | 1,648,390 | 797,530 | 442,296 | 15.69 | 2.00 |
| 2019 | 4,699,796 | 1,921,568 | 465,084 | 138.99 | 190.09 |
| 2020 | 4,000,609 | 2,137,450 | 1,605,865 | 187.86 | 190.59 |
| 2021 | 4,737,358 | 3,324,024 | 1,876,058 | 293.47 | 275.00 |
| 2022 | 3,341,919 | 2,431,266 | 2,667,466 | 251.364 | 337.5 |

** Infillings Supply Scheme through societies

Source: Progress Report – Tea Small Holdings Development Authority

3.4 Tea Shakthi Insurance Benefit Scheme

The responsibility to implement the Tea Shakthi Insurance Benefit Scheme that is for the social welfare of the tea small holders and that was implemented under the Tea Shakthi Fund, was assigned to the Tea Small Holdings Development Authority by the Ministry of Plantation Industries with effect from 15/12/2016 according to the Cabinet Memorandum dated at 08/09/2016. Therefore, the benefits would be paid to the tea small holders who joined the insurance benefit scheme as follows.

1. For full/partial passivity occurred from accidents.
2. For full/partial passivity occurred from paralysis.

3. For heart surgeries, brain surgeries & kidney surgeries.
4. For Accidents and Natural Deaths.

The Welfare section of the Tea Shakthi Fund that was commenced by Act No.47 was assigned to the Tea Small Holdings Development Authority with effect from 01/10/2016 through a decision taken by the Cabinet on 09/08/2016.

The benefits corresponding to this benefit scheme are provided on the request made by the beneficiary. Accordingly, in the year 2022, an amount of 3.13 million Rupees was paid for 216 beneficiary members.

The insurance benefits paid by the Welfare division for the affected tea small holders in the year 2022 is presented in the Table below.

Table No. -15

Execution of the payment of Tea Shakthi Insurance Benefit Scheme From 2022.01.01 to 2022.12.31

| Regional Office | Natural Deaths | | Accidental Deaths | | Elderly Grants in Natural Deaths | | Elderly Grants in Accidental Deaths | | Surgeries | | Paralysis | | Full & Partial Passivity occurred from accidents | | Total No. of Payments | The amount paid Rs. |
|-----------------------|----------------|------------------------|-------------------|-------------------------|----------------------------------|-----------------------|-------------------------------------|------------------------|-----------|-------------------------------|-----------|---|--|--|-----------------------|---------------------|
| | Payments | Amount Rs. 25,000/= | Payments | Amount Rs. 100,000/= | Payments | Amount Rs. 5,000/= | Payments | Amount Rs. 1,0000/= | Payments | Amount Rs. Up to 200,000/= | Payments | Amount Rs. From 10,000/= to 50,000/= | Payments | Amount Rs. From 10,000/= to 100,000/= | | |
| Galle | 10 | 250,000 | 1 | 100,000 | 42 | 210,000 | 0 | - | 2 | 400,000 | 0 | - | 0 | - | 55 | 960,000.00 |
| Matara | 8 | 200,000 | 0 | - | 28 | 140,000 | 0 | - | 0 | | 0 | - | 0 | - | 36 | 340,000.00 |
| Kaluthara | 3 | 75,000 | 0 | - | 11 | 55,000 | 0 | - | - | | 0 | - | 0 | - | 14 | 130,000.00 |
| Bandarawela | 5 | 125,000 | 1 | 100,000 | 12 | 60,000 | 0 | - | 1 | 7,500 | 0 | - | 0 | - | 19 | 292,500.00 |
| Kegalle | 6 | 150,000 | 0 | - | 5 | 25,000 | 0 | - | 0 | | 0 | - | 0 | - | 11 | 175,000.00 |
| Nuwara Eliya | 9 | 225,000 | 1 | 100,000 | 20 | 100,000 | 0 | - | 0 | | 0 | - | 0 | - | 30 | 425,000.00 |
| Ratnapura | 13 | 325,000 | 0 | - | 25 | 125,000 | 0 | - | 0 | | 0 | - | 0 | - | 38 | 450,000.00 |
| Kandy | 4 | 100,000 | 0 | - | 7 | 35,000 | 0 | - | 1 | 200,000 | 0 | - | 0 | - | 12 | 335,000.00 |
| Head Office | 1 | 25,000 | 0 | - | 0 | - | 0 | - | 0 | | 0 | - | 0 | - | 1 | 25,000.00 |
| Total Payments | 59 | 1,475,000 | 3 | 300,000 | 150 | 750,000 | 0 | - | 4 | 607,500 | 0 | - | 0 | - | 216 | 3,132,500.00 |

- An amount of 1,475,000.00 Rupees was paid for 59 natural deaths in the age between 18 -70 years.
- An amount of 3000,000.00 Rupees was paid for 3 accidental deaths in the age between 18 -70 years.
- An amount of 750,000.00 Rupees was paid for 150 natural deaths in the age above 70 years.
- No payment was made for accidental deaths in the age above 70 years.
- No payment was made for cases of paralysis.
- An amount of 607,500.00 Rupees was paid for 4 heart surgeries in the age between 18 -70 years.
- No payment was made for cases of passivity in the age between 18 -70 years.
- An amount of 3,132,500.00 Rupees was paid for 216 Insurance beneficiaries by the MBSL Insurance Company from 2021-01-01 to 2021-12-31.

4. Extension, Societies and Employee Activities

4.1 Execution of Tea Nurseries.

4.2 Demonstration Plots.

4.3 Institutional Mother Bush Area Cultivation.

4.4 Extension and Advisory Training Programs.

4.5 Soil Sample Testing and Individual Extension Activities.

4.6 Improving the Quality of Green Tea Leaves up to 65%.

4.7 Increasing Community-based Organizations by 50%.

4.8 Employee activities contributing to Long-term Development.

4.9 10% of Tea Lands on Additional Income Earning Activities.

4.10 Key Performance Indicators

Supplying quality tea plants

“Increasing the productivity of tea lands within a short period by supplying quality tea plants.”

4.1 Execution of Tea Nurseries

4.1.1 Commercial Tea Nurseries

Maintaining, supervising, and regulating quality commercial tea nurseries as registered tea nurseries of the institution are implemented here in order to facilitate tea small holders in obtaining quality plants aimed at improving the tea production and the productivity.

Accordingly, 1,722 commercial tea nurseries were registered thorough regional offices for the year 2021/2022. From those nurseries, the recommendations had been given by Sri Lanka Tea Research Institute to 21.72 million plants in 750 nurseries at the first inspection, 8.95 million plants in 422 nurseries at the second inspection

and 1.15 million plants in 28 nurseries at the third inspection.

At the end of the year, 456 commercial nurseries had been registered for the cultivation season in 2022/2023. The descriptive details on the number of plants in certified nurseries during the year for the cultivation seasons in 2021/2022 and 2022/2023 are as follows.



Table No. - 16

Execution of Commercial Tea Nurseries - Cultivation season in 2021/2022

| Regional Office | Issuance of permits | | First Inspection (CN – 04) | | Second Inspection (CN – 05) | | Third Inspection (CN – 06) | |
|-----------------|---------------------|--------------------|----------------------------|--------------------------|-----------------------------|--------------------------|----------------------------|-------------------------|
| | No. of Nurseries | Capacity of Plants | No. of Active Nurseries | No. of Planted Seedlings | No. of Active Nurseries | No. of Planted Seedlings | No. of Nurseries | No. of certified plants |
| Galle | 558 | 19,584,250 | 263 | 1,961,908 | 78 | 807,400 | - | - |
| Matara | 252 | 9,278,000 | 116 | 2,491,042 | 96 | 1,422,519 | - | - |
| Kaluthara | 33 | 1,485,000 | 17 | 418,000 | 31 | 1,331,700 | - | - |
| Rathnapura | 299 | 22,953,450 | 24 | 7,441,712 | 5 | 411,576 | - | - |
| Kegalle | 68 | 3,865,000 | 36 | 1,392,500 | 12 | 305,500 | - | - |
| Kandy | 140 | 5,539,000 | 68 | 1,824,700 | 33 | 1,065,050 | 26 | 832,000 |
| Nuwara Eliya | 54 | 1,445,000 | 23 | 754,250 | 9 | 541,500 | 2 | 323,400 |
| Uva | 318 | 9,481,500 | 203 | 5,436,669 | 158 | 3,066,890 | - | - |
| Total | 1,722 | 73,631,200 | 750 | 21,720,781 | 422 | 8,952,135 | 28 | 1,155,400 |

Source: The Progress Report – Tea Small Holdings Development Authority

Table No. -17

Execution of Commercial Tea Nurseries - Cultivation season in 2021/2022

| Regional Office | Issuance of permits | | First Inspection (CN – 04) | |
|-----------------|---------------------|--------------------|----------------------------|--------------------------|
| | No. of Nurseries | Capacity of Plants | No. of Active Nurseries | No. of Planted Seedlings |
| Galle | 157 | 5,743,000 | | |
| Matara | 141 | 4,483,500 | 28 | 293,100 |
| Kaluthara | 4 | 1,100,000 | - | - |
| Rathnapura | 28 | 2,429,450 | - | - |
| Kegalle | 8 | 400,000 | - | - |
| Kandy | 57 | 2,698,000 | - | - |
| Nuwara Eliya | 50 | 1,000,000 | - | - |
| Uva | 11 | 455,000 | - | - |
| Total | 456 | 18,308,950 | 28 | 293,100 |

Source: The Progress Report – Tea Small Holdings Development Authority

4.1.2 Institutional Tea Nurseries

Institutional Tea Nurseries were commenced targeted at keeping the market prices stable under control when purchasing tea seedlings that tea small holders need, providing a quality tea seedling, and maintaining model nurseries for farmers. Also, 11 institutional nurseries are maintained to ensure the production of quality seedlings producing with the usage of enhanced high-quality clones (shoots) to plant them in the lands of tea small holders.

Accordingly, in order to produce 1,216,028 tea cutting plants through 11 nurseries for the 2021/2022 South-West and North-East cropping seasons, shoots were planted.

The details on the status of stock as at 01.01.2022, total number of seedlings traded and market price of a seedling at nursery level are shown in Table No. 18.

Institutional Tea Nurseries

Walahanduwa
101,000
plants

Hanthana
172,614
plants

Hingula
200,000
plants

Hadilla
65,000
plants

Wogan
125,000
plants

Thispane
193,952
plants

Sooriyagoda
10,000
plants

Rahathungoda
126,780
plants

Nelligolla
100,000
plants

Wewakale
32,200
plants

Mawarala
89,482
plants



Table No. -18

Execution of Institutional Tea Nurseries

Year of 2022 (Rupees)

| Description | | Hanthana | Rahathungoda | Walahanuwa | Hingula | Hadigalla | Wogan | Thispane | Mawarala | Nelligolla | Wewakale | Sooriyagoda | Total |
|--|---------------|-----------|--------------|------------|-----------|-----------|-----------|-----------|-----------|------------|----------|-------------|------------|
| Status of Stock as at 01.01.2022 | No. of Plants | 101,843 | 112,484 | 50,787 | 106,447 | 79,645 | 65,043 | 214,833 | 1,289 | 99,610 | 12,179 | 13,282 | 857,442 |
| | Value | 1,820,459 | 2,855,481 | 1,374,890 | 3,148,165 | 1,831,989 | 2,211,838 | 4,527,838 | 396,935 | 2,471,366 | 254,054 | 256,523 | 21,149,538 |
| Planted during the Year | No. of Plants | 148,614 | 130,227 | 101,000 | 165,950 | 15,000 | 105,000 | 167,864 | 114,482 | 69,444 | 32,200 | 3,765 | 1,053,546 |
| | Value | 3,692,069 | 3,513,582 | 1,938,684 | 4,061,726 | 1,430,054 | 3,330,474 | 6,597,588 | 2,826,924 | 2,903,279 | 466,597 | 187,852 | 30,948,829 |
| No. of dead plants | No. of Plants | 18,149 | 23,084 | 24,269 | 16,413 | 22,967 | 12,397 | 28,925 | 17,536 | 8,756 | 165 | 4367 | 177,028 |
| Status of Stock as at 31.12.2022 | No. of Plants | 151814 | 120913 | 41543 | 143067 | 31964 | 59467 | 200327 | 45015 | 108255 | 20215 | 6903 | 929483 |
| | Value | 3,722,949 | 3,591,415 | 1,071,169 | 4,573,907 | 1,652,745 | 2,578,954 | 6,775,538 | 1,858,082 | 3,799,985 | 329,505 | 280,585 | 30,234,834 |
| Sales Cost | No. of Plants | 80,494 | 98,714 | 85,975 | 131,017 | 39,714 | 98,179 | 153,445 | 28,221 | 52,043 | 23,999 | 5,777 | 797,578 |
| | Value | 1,789,579 | 2,777,648 | 2,242,406 | 3,452,266 | 1,609,298 | 2,963,158 | 4,350,053 | 1,365,776 | 1,574,660 | 391,147 | 163,789 | 22,679,780 |
| Production cost of a plant (Estimated) | Value | 22.23 | 28.14 | 26.08 | 26.35 | 40.52 | 30.18 | 28.35 | 48.40 | 30.26 | 16.30 | 28.35 | |
| Plants sold | No. of Plants | 80,494 | 98,714 | 85,975 | 131,017 | 39,714 | 98,179 | 153,445 | 28,221 | 52,043 | 23,999 | 5,777 | 797,578 |
| | Value | 2,589,450 | 3,599,423 | 2,587,025 | 4,196,940 | 1,333,650 | 3,396,335 | 5,783,295 | 1,025,104 | 1,640,755 | 770,840 | 192,291 | 27,115,108 |
| Cost of a plant based on sale | Value | 32.17 | 36.46 | 30.09 | 32.03 | 33.58 | 34.59 | 37.69 | 36.32 | 31.53 | 32.12 | 33.29 | |
| Profit / (Loss) | Value | 799,871 | 821,775 | 344,619 | 744,674 | -275,648 | 433,177 | 1,433,242 | -340,672 | 66,095 | 379,693 | 28,502 | *4,435,328 |

Source: Final Accounts Report of Tea Small Holdings Development Authority (Profit of shade plants is not included here.)

“Demonstrations of Cultivation - Achieving a higher yield by adopting good agricultural practices in selected tea land demonstrations”

4.2 Demonstration Plots

432 (1/2 Acre) demonstrations of tea plantation were installed as three per every tea extension division as covering all the eight regional offices those which are under the Tea Small Holdings Development Authority.

Accordingly, that is maintained under the fullest supervision of the Tea Small Holdings Development Authority by following good agricultural practices such as carving drains,

inserting stone ridges, shade cultivation, regular pruning, using organic fertilizer, and sprinkle water supply systems.



| | | | | | | | |
|-------------|-----------|--------------------|-------------|--------------|-----------------|------------------|---------------|
| Kandy 72 | Uva 48 | Nuwara Eliya 36 | Galle 69 | Matara 60 | Kaluthara 39 | Rathnapura 75 | Kegalle 33 |
|-------------|-----------|--------------------|-------------|--------------|-----------------|------------------|---------------|

4.3 Institutional Mother Bush Cultivations

The maintenance of mother bush cultivation is targeted at facilitating tea small holders in obtaining quality planting materials in order to improve the tea production and productivity. Through promoting new clones in the lands of tea small holders by the provision of high-quality planting materials, this is implemented to increase the income of tea small holders, and to ensure the safety of the cultivation.

Accordingly, actions were taken in the year 2022 by the institute to provide tea small holders, commercial tea nursery operators and the institutional nurseries with 141,793 shoots through maintaining quality mother bush

cultivations with highly improved cultivar. The descriptive details about the highly developed shoots and branches from mother bush cultivations are indicated in Table No. 19.

Extension and Advisory Training Programs

4.4 Extension and Advisory Training Programs

3,179 Extension and Advisory Training Programs were scheduled for the year under review and the targeted number of participation of farmers for these programs was 90,451. The descriptive details of the progress of the Extension and Advisory Training Programs are indicated in Table No. 20.



Table No. -19

Issuing New Cultivar of Shoots and Branches from Mother Bush Cultivations - 2022

| Location | Commercial Nurseries | % | Tea Small Holders | % | Societies and other | % | Institutional Nurseries | % | Production | | | Total production |
|----------------------------|----------------------|---------------|-------------------|--------------|---------------------|--------------|-------------------------|---------------|----------------|------------|----------------|------------------|
| | | | | | | | | | Amount | % | Target | |
| Walahanduwa | 0 | 0% | 4,100 | 19% | 0 | 0% | 22,800 | 104% | 26,900 | 122% | 22,000 | 18.97% |
| Hanthana | | 0% | 3050 | 5% | 1000 | 2% | 29,270 | 49% | 33,320 | 56% | 60,000 | 23.50% |
| Wogan | | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 45,000 | 0.00% |
| Nelligolla and Sooriyagoda | 2500 | 6% | 3000 | 7% | 0 | 0% | 10,050 | 22% | 15,550 | 35% | 45,000 | 10.97% |
| Hingula | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 13,500 | 0.00% |
| Rahathungoda and Thispane | 6100 | 15% | | 0% | | 0% | 50,822 | 124% | 56,922 | 139% | 41,000 | 40.14% |
| Bandarawela and Hali Ela | 9101 | 38% | 0 | 0% | 0 | 0% | 0 | 0% | 9,101 | 38% | 24,000 | 6.42% |
| Mawarala | | 0 | | 0 | | 0 | | 0 | 0 | 0 | 0 | 0.00% |
| Total | 17,701 | 12.48% | 10,150 | 7.16% | 1,000 | 0.71% | 112,942 | 79.65% | 141,793 | 57% | 250,500 | 100% |

Source: The Progress Report – Tea Small Holdings Development Authority

Table No. -20

Extension and Advisory Services – The Productivity Growth (Number of Training Programs and the Participation)

| Regional Office | Galle | | Matara | | Kaluthara | | Rathnapura | | Kegalle | | Kandy | | Nuwara Eliya | | Uva | | Target | |
|---|------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|--------------|---------------|------------|---------------|--------------|---------------|
| | Number | Participation | Number | Participation | Number | Participation | Number | Participation | Number | Participation | Number | Participation | Number | Participation | Number | Participation | Number | Participation |
| Training on the Quality of Leaves | 38 | 1892 | 6 | 251 | 31 | 1529 | 96 | 2853 | 27 | 786 | 90 | 3555 | 38 | 2307 | 55 | 1872 | 381 | 15,045 |
| Training on Tea Leaves Plucking | 45 | 1230 | 10 | 145 | 30 | 616 | 95 | 2297 | 27 | 806 | 28 | 827 | 32 | 808 | 39 | 1085 | 306 | 7,814 |
| Training on the Awareness of Nurseries | 60 | 1355 | 2 | 53 | 10 | 138 | 30 | 660 | 9 | 175 | 8 | 164 | 10 | 85 | 20 | 460 | 149 | 3,090 |
| Training on the Usage of Machines | 29 | 601 | 6 | 235 | 22 | 501 | 19 | 663 | 0 | 0 | 4 | 96 | 15 | 396 | 4 | 68 | 99 | 2,560 |
| Training on Diseases and Pests | 40 | 971 | 3 | 34 | 22 | 537 | 28 | 456 | 6 | 112 | 17 | 350 | 20 | 401 | 6 | 174 | 142 | 3,035 |
| Training on the Awareness of Permit Holders | 95 | 2489 | 20 | 493 | 33 | 876 | 60 | 1553 | 55 | 1720 | 42 | 1907 | 63 | 1665 | 64 | 1779 | 432 | 12,482 |
| Training on Tea Planting | 52 | 1318 | 15 | 341 | 27 | 618 | 28 | 790 | 46 | 1348 | 57 | 1,469 | 28 | 625 | 48 | 1188 | 301 | 7,697 |
| Farm tea-based Training | 20 | 406 | 6 | 135 | 17 | 822 | 28 | 854 | 13 | 817 | 12 | 509 | 15 | 447 | 13 | 177 | 124 | 4,167 |
| Training on the Awareness of PH | 65 | 1566 | 11 | 433 | 6 | 162 | 53 | 2221 | 26 | 650 | 64 | 1,859 | 12 | 552 | 78 | 2107 | 315 | 9,550 |
| Training on the Awareness of Sprinkler Water System | 49 | 1217 | 29 | 838 | 20 | 641 | 81 | 956 | 12 | 300 | 22 | 528 | 20 | 531 | 26 | 875 | 259 | 5,886 |
| Training on Application of Dolomite Fertilizer | 53 | 1544 | 11 | 260 | 33 | 891 | 38 | 1121 | 12 | 300 | 91 | 2286 | 31 | 720 | 55 | 1493 | 324 | 8,615 |
| Training on Shade Management | 74 | 1902 | 13 | 303 | 53 | 1219 | 55 | 1463 | 84 | 2903 | 26 | 1731 | 28 | 680 | 14 | 309 | 347 | 10,510 |
| Total | 620 | 16,491 | 132 | 3,521 | 304 | 8,550 | 611 | 15,887 | 317 | 9,917 | 461 | 15,281 | 312 | 9,217 | 422 | 11,587 | 3,179 | 90,451 |

Source: The Progress Report – Tea Small Holdings Development Authority

4.5 Soil Sample Testing and Individual Extension Activities

Soil Sample Testing

As the soil acidity should be accurately maintained due in accordance with improving the production and the productivity of tea small holdings, it was targeted to annually test 43,200 soil samples as follows in order to test the soil acidity and 44,804 (104%) soil samples had been tested within the year.

Individual Extension Activities

30 farmers have been selected from every Tea Inspector/Extension Officer division and in the year 2022, 19,565 farmers have performed under the direct supervision of Tea Inspector/Extension Officers.

Individual extension activities are implemented to follow good agricultural instructions and to increase the level of income of the farmers through improving the productivity through inspecting their land twice a year.

Table No. -21

Individual Extension Activities and Number of Soil Tests – 2022 Progress

| Regional Office | | Galle | Matara | Kaluthara | Kegalle | Kandy | Nuwara Eliya | Rathnapura | Uva | Total |
|-----------------------|----------|--------|--------|-----------|---------|-------|--------------|------------|-------|--------|
| Soil Test | Target | 6,900 | 6,000 | 3,900 | 3,300 | 7,200 | 3,600 | 7,500 | 4,800 | 43,200 |
| | Progress | 14,701 | 5,579 | 22 | 2,474 | 5,961 | 3,867 | 7,376 | 4,824 | 44,804 |
| Individual Extensions | Target | 2,070 | 1,800 | 1170 | 1170 | 1,440 | 1170 | 2,250 | 1440 | 12,510 |
| | Progress | 5,748 | 3,990 | 603 | 2,181 | 606 | 1,708 | 2,781 | 1,948 | 19,565 |

Source: The Progress Report – Tea Small Holdings Development Authority

Mid-Term Outcomes – 02 Development Plans

4.6 Improving the quality of green tea leaves up to 60%.

“Improving the quality of green tea leaves up to 60% at the factory level within 03 years.”

The important factors to improve the income of tea small holders are low cost of production along with a higher yield from the existing land, and obtaining a higher market price for quality green tea leaves. In order to obtain a higher market price for green tea leaves, the farmers should be directed towards producing quality tea leaves.

Targeted at achieving this outcome, the expected activities performed were training 5,760 tea leaves pluckers to improve the quality of tea leaves, promoting rules and regulations systems that make it compulsory for the factories to accept only the quality tea leaves, executing awareness programs for

suppliers of tea leaves, and making the tea small holders aware about the quality of tea leaves. Therefore, in the year of 2022, 490 training programs on improving the quality of tea leaves were scheduled and 687 programs were conducted. Details of the number of farmers participated are indicated in Table No. 20.

At factory level, the index, good green tea leaves are used to measure the expected results, and to gain successful results, the support was given by the Ministry as well as the Tea Commissioner division of the Sri Lanka Tea Board.

“Empathy for Quality”

Targeted at increasing the quality of green tea leaves up to 60% by the Tea Small Holdings Development Authority, as a combined program of all the institutes, this program was executed in the last quarter of the year 2022 as “Empathy for Quality” under the financial sponsorship of Sri Lanka Tea Board and with the contribution of the Ministry of

Plantation. Here, in order to make all the parties aware about the tea industry, from plantation to production, awareness programs through television programs, radio programs, short message service (SMS messages), social media and mobile extension lorry, and a series of awareness programs based on factories were executed within a short period.

Mid-Term Outcome - 03

4.7 Increasing Community-based organizations by 50%. “Strengthening Community-based organizations by 50% within 03 years.”

In order to legalize the system of Tea Small Holdings Development Societies that was established at the end of the year 1989, the Tea Small Holdings Development Authority had published regulations incurred in the Act No. 01 of 1995 for Tea Small Holdings Development Societies through the Gazette Extraordinary, No. 875/15 in accordance with the powers vested in the Paragraph (k, j), Sub-Section 02, Section 15 of the Tea Small Holdings Development Act, No.35 of 1975 of the National State Assembly revised by the Act, No.36 of 1991.

The system of societies operates with 08 district organizations and an All-Island Federation under a common constitution. 1,484 Tea Small Holding Development Societies were registered at the end of the year 2021, and the number of members belonged to those societies was 305,736. Accordingly, compared to the year 2021, the number of members in the year 2022 had increased by 9%.

Diagram No. 11



Source: Tea Small Holdings Development Authority

Compared to the year 2021, in the year 2022, no new registration of societies was taken place. To strengthen the tea small holdings development societies to be executed effectively, in the year 2022, even though various programs covering all the districts were planned, there were obstructions to exert those programs due to transportation issues caused by the COVID pandemic situation and the fuel shortage. Overall, to strengthen the community-based organizations, 2.689 Million Rupees was spent by the institute in the year 2022.

Table No. -22
Extension of Tea Small Holdings Development Societies

| Regional Office | No. of Societies | | No. of Members | |
|------------------------------|------------------|-------------|----------------|----------------|
| | 2021 | 2022 | 2021 | 2022 |
| Galle | 217 | 217 | 53,071 | 49,230 |
| Matarā and Hambantota | 192 | 192 | 27,029 | 53,978 |
| Kaluthara | 116 | 116 | 23,256 | 23,217 |
| Kegalle | 148 | 148 | 28,506 | 28,903 |
| Kandy and Matale | 227 | 227 | 20,465 | 22,231 |
| Nuwara Eliya | 127 | 127 | 14,619 | 14,837 |
| Rathnapura | 291 | 291 | 88,893 | 88,893 |
| Uva (Badulla and Monaragala) | 166 | 166 | 23,656 | 24,447 |
| Total | 1,484 | 1484 | 279,594 | 305,736 |

Source: The Progress Report – Tea Small Holdings Development Authority

Mid-Term Outcome 04

4.8 Employee activities contributing to long-term development.

Even though the expectation of the institute was to annually maintain staff vacancies at a minimum level of less than 5% as a short-term outcome, by the end of the year 2022, the percentage of staff vacancies was 10.9%.

Yet, the expected audit opinion of the institute was unqualified, the qualified opinion in the year 2021 indicated a true and a reasonable condition in accordance with the Sri Lanka Public Sector Accounting Standards.

Even though, targeted at improving the positive attitudes within the institutional staff regarding the duties, 8 programs were held of 20 local training programs with the representation of several grades of the institute were scheduled to be conducted in the year 2022, one day seminar on answering audit clarifications and two days training program for Trainee Tea Inspection/Extension Officers on the development of psychological notions and office practices were conducted as the employees could not be involved in training programs as per the instructions given by the health sector due to the pandemic situation and difficulties in transportation due to fuel shortage existed within the country in the year 2022.

It also includes 4 leadership and attitude development programs for staff officers, a training on office practices for management assistants and a training program on the implementation of the action plan.

The performance-based evaluation system was also implemented in the year 2022 for the field staff.

Mid-Term Outcome 05

4.9 10% of tea lands on additional income earning activities

“Directing 10% of lands on additional income earning activities within 03 years.”

To enhance the standard of living of the tea small holders, directing them on additional income earning activities has been identified.

Accordingly, out of the 124 training programs scheduled under this, 100 programs were implemented within the relevant year. The targeted number of farmers was 3,200 and the number of farmers participating was 4,167. The programs implemented in the year 2022 are as follows.

Table No. -23

Tea-based Farm Training

Number of Programs and number of Farmers Participated -2022

| Regional Office | Programs | | Participation | |
|-----------------|------------|------------|---------------|-------------|
| | Target | Progress | Target | Progress |
| Galle | 11 | 20 | 220 | 406 |
| Matara | 7 | 6 | 170 | 135 |
| Kaluthara | 13 | 17 | 780 | 822 |
| Kegalle | 6 | 13 | 380 | 817 |
| Kandy | 14 | 12 | 515 | 509 |
| Nuwara Eliya | 10 | 15 | 200 | 447 |
| Rathnapura | 25 | 28 | 745 | 854 |
| Uva | 14 | 13 | 190 | 177 |
| Total | 100 | 124 | 3200 | 4167 |

Source: The Progress Report – Tea Small Holdings Development Authority

The percentage of other crops that exist in tea small holdings had been identified as the key performance indicator in measuring the outcomes mentioned above.

4.10 Key Performance Indicators

Even though the long-term outcome is based on improving the living condition of tea small holders, the detailed information including the key performance indicators corresponding to the Action Plan under 05 mid-term outcome facts are shown in Table No. 24.

Table No. -24

Key Performance Indicators for Managing Development Outcomes - 2022

| Mid-Term Outcomes | | Key Performance Indicators | Base Year 2008 | Performance Indicators Targets & Progress 2022 | | Special Remarks |
|-------------------|--|---|-------------------|---|-----------|--|
| | | | | Target | Progress | |
| 1 | Long-term Outcome | I Progress of developing assets of household units | | | | Socio Economic Surveys Statistical Data of the Sri Lanka Tea Board |
| | Enhancing the standard of living of tea small holders | II Progress of the secondary education of the children | | | | |
| | Per Year/ Per Hectare within 03 years | 1.1 Developing the unit productivity at district level and at elevation level | | | | |
| | Increasing the Kilograms of made tea | | | | | |
| | Low Country up to 2,500 | | 2,085 | 2,500 | 1,540 | |
| | Mid Country up to 1,700 | | 1,050 | 1,700 | 1,773 | |
| | Uva up to 1,600 | | 1,055 | 1,600 | 1,101 | |
| | | 1.2 Improving the production of tea small holdings (Million Kilograms) | 215 | 237 | 189.74 | Data of the Tea Commissioner Section of Sri Lanka Tea Board |
| 2 | Improving the quality of green tea leaves up to 60% at the factory level within 03 years | 2.1 Progress of good tea leaves at the factory level | 35% | | | |
| 3 | Strengthening 50% of community-based organization within 03 years | 3.1 Improving the asset value | NA | | | Socio Economic Survey Census |
| | | 3.2 No. of societies monitoring the identified roles | 100 | | 1,484 | |
| | | 3.3 Attitudes of the members regarding the productivity | NA | | | |
| 4 | Strengthening the institute to execute more productively within a year | 4.1 Percentage of accomplishing targets | | | | |
| | | Tea Replanting Subsidy Scheme | | | | |
| | | a. Financial | 102% | 580.96 | 577.794 | |
| | | b. Physical | 92% | 900 | 912 | |
| | | 4.2 The Audit Opinion | | True & Reasonable | Qualified | |
| | | 4.3 Percentage of Deviation from the budget (Developmental Capital) | 13% | | 0.27 | |
| | | 4.4 Attitudes of the staff on the productivity of the institution | NA | | | Socio Economic Survey Censuses |
| 5 | Directing 10% of the lands on additional income earning activities within 03 years | 5.1 Percentage of lands with other crops | 35% | | | |
| | | Percentage of lands with animal husbandry | NA | | | |
| | Total | | | | | |

5. Small Holdings Sector of Sri Lanka and the Productivity of Tea Lands

5.1 Tea Small Holdings.

5.2 Production of Tea Small Holdings Sector.

5.3 Production Composition and Productivity of Tea Small Holdings.

5.4 Contribution and Productivity Review of the Tea Small Holdings Sector.

5 Small Holdings Sector of Sri Lanka and the Productivity of Tea Lands



5.1 Tea Small Holdings

In accordance with the Tea Control Act, tea lands with less than 10 acres are considered to be Tea Small Holdings. However, with effect from 01 January 1978, the Tea Small Development Authority was offered with the powers to perform development activities by the Honorable Minister of Plantation Industries on the tea lands with the extent of 10-50 acres being held under the Sri Lanka Tea Board. Accordingly, the Authority has so far provided all the supportive services needed for the development of all the tea lands with less than 50 acres being held under private possession.

By the year 2012, the Sri Lanka Tea Board had been assigned with powers to provide land development services on the lands with the extent of 10-50 acres and the Sri Lanka Tea Research Institute had been assigned with powers to provide extension services. Accordingly, from the year 2012, the development services and the relevant supportive services required for tea lands with less than 10 acres were provided by the institute as per the provisions specified in the Act.

5.1.1 Extent of Tea Small Holdings

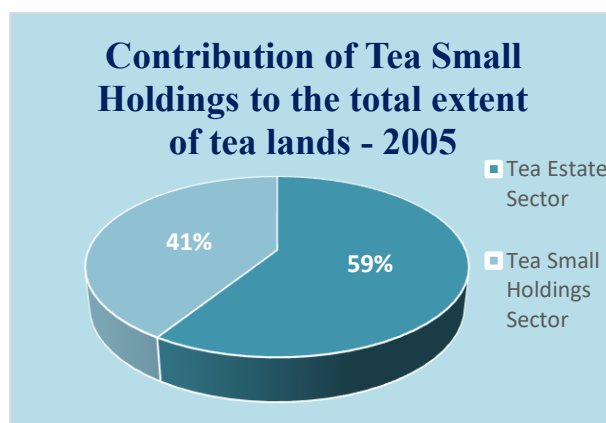
The total amount of the tea small holdings in Sri Lanka is about 221,968 hectares comprising with the extent of 132,329 hectares of tea small holdings (including lands with less than 20 perches) as per the census on tea small holdings held in the year 2005. Accordingly, from the total amount of tea lands in

Sri Lanka, 59% of lands are under the Tea Small Holdings sector. The corresponding description is shown in Diagram No. 12.

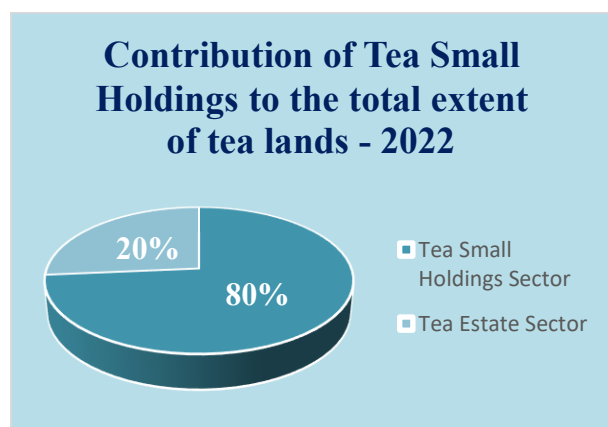
As per the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority at the end of the year 2016, the extent of registered tea small holdings was 157,838 hectares. Based on those details, the updated extent of lands in the year 2022 was 158,060 hectares. The contribution percentage is shown in Diagram No. 13.

The detailed information of this are stated in Table No. 25, 26, and 27.

Diagram No. 12



Source - 2005 Census on Tea Small Holdings in Sri Lanka – Department of Census and Statistics 2005

Diagram No. 13

Source - As per the tea land registration of Sri Lanka Tea Board in 2016 based on the updated tea lands in 2022.

5.1.2 Tea Small Holders

As per the census held in 2005, the number of tea small holders was 370,842. From the tea small holders (Including the cultivators with less than 20 perches), 82% of them are the tea small holders

having sole possession on lands and 76% of the extent of tea small holdings are owned by them.

As per the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority at the end of the year 2016, the number of tea small holders was 418,262. Based on those details, the updated number of tea small holders in the year 2022 was 418,531.

5.1.3 Number of Tea Small Holdings

As per the census held in 2005, the total number of plots of lands was 397,223 and the extent of lands was 132,329 hectares. These tea small holdings have been scattered in 3,692 Grama Niladhari Divisions under 123 Divisional Secretariat Divisions.

The tea lands in the Tea Small Holdings sector were developed especially due to the matters of increase in the price of green leaves, increasing the incentives given on tea plantation, labor shortage, partitioning large plots of lands and diverting lands with no possible cultivations to tea plantations.

Table No. -25

Number of Tea Small Holders and Extent of Lands in accordance with the Districts in Sri Lanka

| District | Data of 2005 Census on Tea Small Holdings | | As per the tea land registration of Sri Lanka Tea Board in 2016 based on the updated data in 2022 | |
|--------------|---|----------------|---|----------------|
| | Number of Tea Small Holders * | Hectares* | Number of Tea Small Holders** | Hectares** |
| Colombo | 1,345 | 246 | 1,223 | 404 |
| Gampaha | 319 | 2 | 277 | 100 |
| Kaluthara | 48,752 | 7,823 | 43,981 | 17,090 |
| Kandy | 31,635 | 16,058 | 28,910 | 11,340 |
| Matale | 1,656 | 1,672 | 1,551 | 740 |
| Nuwara Eliya | 19,361 | 7,205 | 16,648 | 5,811 |
| Galle | 92,578 | 27,427 | 85,189 | 30,166 |
| Matara | 73,907 | 25,417 | 65,232 | 25,728 |
| Hambanthota | 2,833 | 546 | 2,542 | 1,004 |
| Kurunegala | | 180 | | |
| Badulla | 33,093 | 9,020 | 30,151 | 9,449 |
| Monaragala | 600 | 199 | 572 | 294 |
| Rathnapura | 118,444 | 30,441 | 108,473 | 43,076 |
| Kegalle | 37,842 | 6,093 | 33,782 | 12,858 |
| Total | 462,365 | 132,329 | 418,531 | 158,060 |

Source – * Census Reports on Tea Small Holdings in Sri Lanka – 2005

** Updated in 2021 as per the tea land registration of Sri Lanka Tea Board in 2016

5.1.4 Classification of Tea Small Holdings

Actions were taken in since 2021 to update the data provided through the tea land registration program held by Sri Lanka Tea Board in conjunction with the Authority in the year 2016. Those updated data were utilized in institutional development planning activities in 2022. As per the census reports – 2005 on tea small holdings in Sri Lanka, From the extent of tea small holdings, 113,190 acres (34.6%) of tea lands are lands with less than one acre and 198,707 acres (60.8%) of tea lands are lands with less than two acres. The extent of tea lands with more than 10

acres is 59,731 acres (18.3%) and as shown in Table No. 26 below, the extent of tea lands with less than 10 acres is 267,253 acres (108,200 hectares).

In accordance with the land registration of Sri Lanka Tea Board in the year 2016, from the extent of tea small holdings, 191,434 acres (39%) are the tea lands with less than one acre and 304,851 acres (63%) are the tea lands with less than two acres. The extent of tea lands more than 10 acres is 97,154 acres (20%). As per the Table No. 27 below, 390,407 acres (158,060 hectares) were the tea lands with less than 10 acres.

Table No. -26

Categorization of the extent of Tea Small Holdings in Sri Lanka in accordance with the Census in 2005

| Acres | Extent of Lands (Acres) | Percentage % | Number of Plots of Lands | Percentage % |
|---------------------|-------------------------|--------------|--------------------------|--------------|
| Less than 1 | 113,190 | 34.6 | 297,342 | 75 |
| 1 – Less than 2 | 85,517 | 26.2 | 74,314 | 18.7 |
| 2 – Less than 3 | 31,882 | 9.8 | 15,101 | 3.8 |
| 3 – Less than 5 | 18,413 | 5.6 | 5,299 | 1.3 |
| 5 – Less than 10 | 18,251 | 5.5 | 2,936 | 0.7 |
| 10 and more than 10 | 59,731 | 18.3 | 2,231 | 0.5 |
| Total | 326,984 | | 397,223 | |

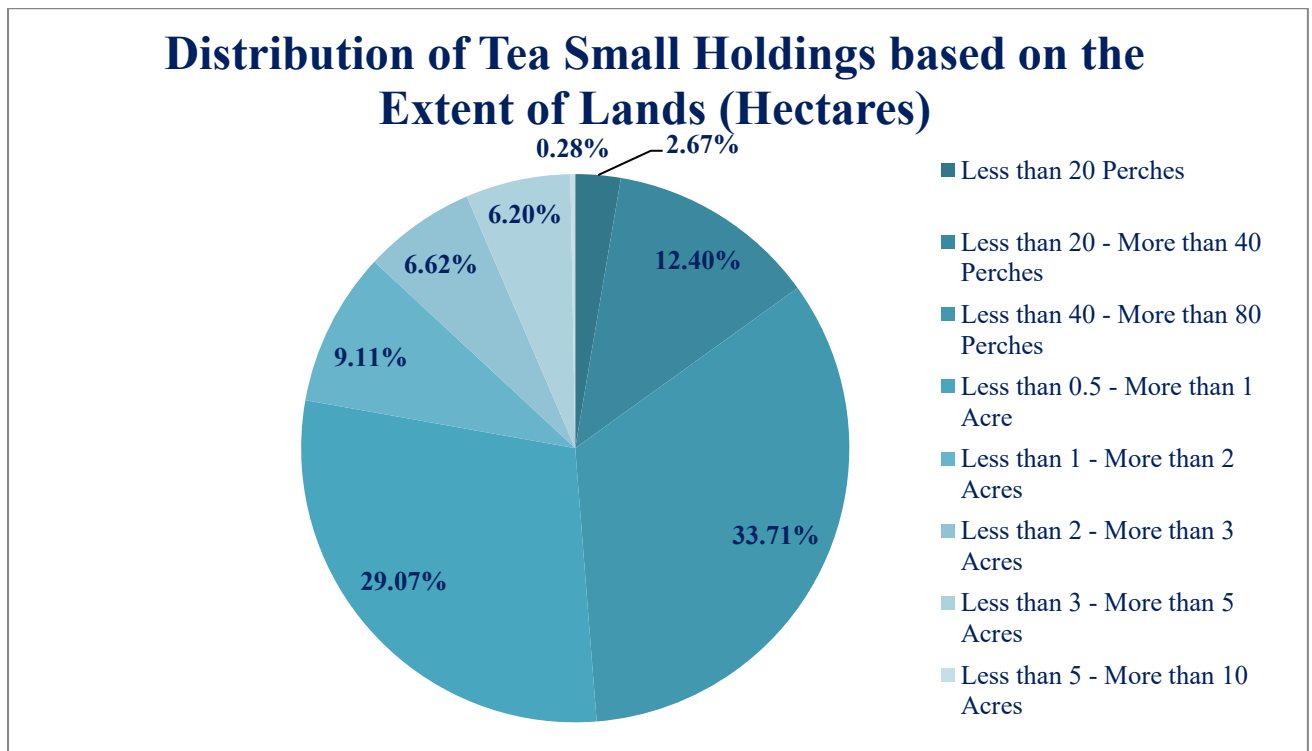
Source – Census Reports on Tea Small Holdings in Sri Lanka – 2022

Table No. -27

Categorization of Tea Small Holdings in Sri Lanka in accordance with the extent of lands and number of plots of lands

| | Extent of Lands (Acres) | Percentage % | Number of Plots of Lands | Percentage % |
|---|-------------------------|--------------|--------------------------|--------------|
| Less than 20 Perches | 1,082 | 0.28% | 30,668 | 7% |
| Less than 20 Perches – More than 40 Perches | 10,427 | 2.67% | 44,530 | 11% |
| Less than 40 Perches – More than 80 Perches | 48,401 | 12.40% | 102,829 | 25% |
| More than 0.5 Acres – Less than 1 Acre | 131,524 | 33.71% | 144,820 | 35% |
| More than 1 Acre – Less than 2 Acres | 113,417 | 29.07% | 71,659 | 17% |
| More than 2 Acres – Less than 3 Acres | 35,547 | 9.11% | 14,196 | 3% |
| More than 3 Acres – Less than 5 Acres | 25,825 | 6.62% | 6,448 | 2% |
| More than 5 Acres – Less than 10 Acres | 24,184 | 6.20% | 3,381 | 1% |
| Total of Tea Small Holdings Sector | 390,407 | | 418,531 | |
| More than 10 Acres – Less than 50 Acres | 56,129 | 12% | 2,677 | 1% |
| More than 50 Acres | 41,025 | 8% | 244 | 0.1% |
| Total of overall Tea Holdings sector | 487,561 | | 421,452 | |

Source – Census Reports on Tea Small Holdings in Sri Lanka – 2022, Updated in 2022 as per the tea land registration of Sri Lanka Tea Board in 2016.

Diagram No. 14**Distribution of Tea Small Holdings based on the Extent of Lands (Hectares)**

Source – Updated data in 2022 as per the tea land registration of Sri Lanka Tea Board in 2016.

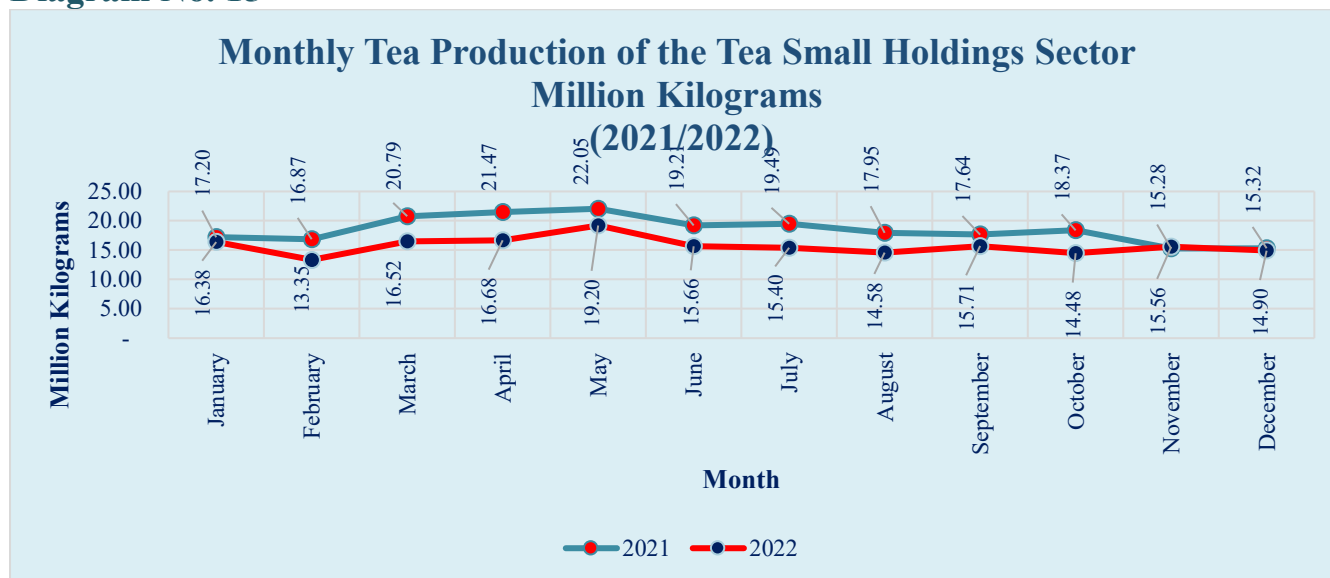
5.2 Production of the Tea Small Holdings Sector

The national tea production in the year 2022 was 251.449 million kilograms. Compared to the previous year, it was a decrease of 47.889 million kilograms, or 16% of the national production.

The Tea Small Holdings Sector had produced 50% of the national tea production in the year 1991, and in the year under review, they had contributed with a production of 75.44%.

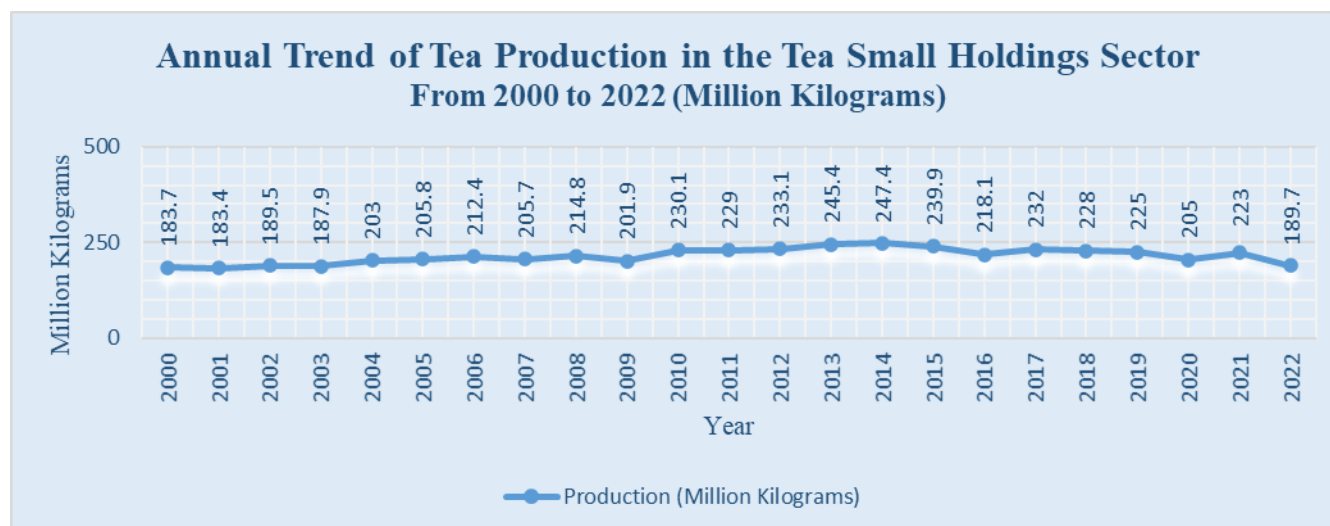
Similarly, the overall production of the tea small holdings sector had also been increased by 33.463 million kilograms and it was 15% of the production.

Diagram No. 15



Source: From production data of Sri Lanka Tea Board

Diagram No. 16



Source: Sri Lanka Tea Board

5.3 Production Composition and Productivity of Tea Small Holdings

In the year 2022, the Tea Small Holdings Sector had contributed to the national tea production by 79.32% of the overall Low Country tea production, 14.38% of the overall Mid Country tea production and 6.3% of the overall Up-Country tea production. (Table

No. 28). Compared to the year 2021, in the year 2022, the tea production of the Tea Small Holdings Sectors had increased by 3.19% from the Up-

country tea production and 33% from Mid country tea production while it had been decreased by 17.8% from Low country tea production.

Table No. -28

**Tea Production and Production Contribution of the Tea Small Holdings Sector
(Based on location) 2019-2022**

| | | Year | Up Country | Mid Country | Low Country | Total |
|--|----------------------------|------|------------|-------------|-------------|------------|
| Extent of Tea Small Holdings | (Hectares) | 2005 | 5,913 | 21,403 | 89,176 | 116,492 |
| | Percentage of contribution | | 5% | 18% | 77% | |
| | | 2022 | 7,763 | 15,387 | 134,910 | ** 158,060 |
| | Percentage of contribution | | 5% | 10% | 85% | |
| National Production | Metric Tons | 2019 | 63,046 | 47,172 | 189,915 | 300,134 |
| | Percentage | | 21% | 16% | 63% | |
| | Metric Tons | 2020 | 62,202 | 46,553 | 169,733 | 278,489 |
| | Percentage | | 22% | 17% | 61% | |
| | Metric Tons | 2021 | 65,270 | 50,905 | 183,161 | 299,338 |
| | Percentage | | 22% | 17% | 61% | |
| | Metric Tons | 2022 | 56,320 | 40,183 | 154,994 | 251,497 |
| | Percentage | | 22% | 16% | 62% | |
| Production of Tea Small Holdings | Metric Tons | 2019 | 11,553 | 31,300 | 182,874 | 225,728 |
| | Percentage | | 5% | 14% | 81% | |
| | Metric Tons | 2020 | 11,846 | 30,353 | 163,467 | 205,666 |
| | Percentage | | 6% | 15% | 79% | |
| | Metric Tons | 2021 | 12,339 | 33,631 | 177,225 | 223,197 |
| | Percentage | | 5.53% | 15.07% | 79.40% | |
| | Metric Tons | 2022 | 11,958 | 27,287 | 150,488 | 189,733 |
| | Percentage | | 6.30% | 14.38% | 79.32% | |
| Contribution to the National Production | Percentage | 2019 | 18.32% | 10.40% | 60.90% | |
| | | 2020 | 24% | 14% | 81% | |
| | | 2021 | 18.90% | 66.07% | 96.76% | |
| | | 2022 | 21.23% | 67.91% | 97.09% | |

Source: Census Report on Tea Small Holdings 2005 - Department of Census and Statistics

* The Productivity was calculated based on the updated details on the extent of lands as per the tea land registration of Sri Lanka Tea Board in 2016 .

** . Extent of lands by the year 2021.

5.4 Contribution and Productivity Review of the Tea Small Holdings Sector.

The growth of the National production in four years 2019, 2020, 2021 and 2022 had been primarily caused by the contribution of the Tea Small Holdings Sector for tea production.

As per the data on the tea production in the Sri Lanka Tea Board, the average productivity of the Tea Small Holdings Sector in the year 2022 was 1,200 Kilograms of made tea per hectare. The average productivity of the Tea Small Holdings Sector in the year 2021 was 1,414 Kilograms of made tea per hectare.

The calculation of the hectare productivity up until 2020 was performed based on the number of tea lands in the Census on tea lands – 2005. However, in the years 2021 and 2022, as per the land registration of the Sri Lanka Tea Board in the year 2016, the productivity per hectare was calculated based on the details of the extent of lands.

Tea is cultivated in 14 districts and since there are only 8 regional offices, even though certain regional offices contain two districts, when calculating at the level of tea inspection divisions, the extent of lands of those districts were also added and calculated.

Table No. -29

Productivity of Tea Small Holdings Sector based on Administrative Districts - 2022 (Made Tea/ Kilograms)

| Administrative District | Extent of Tea Small Holdings (Hectares) ** | Production Highlands (Made Tea Million Kilograms) | Production Midlands (Made Tea Million Kilograms) | Production Lowlands (Made Tea Million Kilograms) | Production Total (Made Tea Million Kilograms) | Productivity (Made Tea Kilograms per Hectare) * |
|---|--|---|--|--|---|---|
| Badulla, Monaragala | 9,743 | 5,162,255 | 5,564,036 | | 10726291 | 1,101 |
| Galle | 30,166 | | | 35,330,952 | 35,330,952 | 1,171 |
| Hambanthota | 1,004 | | | 188,839 | 188,839 | 188 |
| Kaluthara | 17,090 | | | 15,217,074 | 15,217,074 | 890 |
| Colombo | 404 | | | 1,128,566 | 1,128,566 | 2,793 |
| Kandy | 11,340 | 172,310 | 14,122,175 | 10,487,280 | 24,781,765 | 2,185 |
| Kegalle, Gampaha | 12,958 | | 111,924 | 8,272,356 | 8,384,280 | 647 |
| Matale | 740 | | 1,260,983 | 401,774 | 1,662,757 | 2,248 |
| Matara | 25,728 | | 45,944 | 28,803,882 | 28,849,826 | 1,121 |
| Nuwara Eliya | 5,811 | 6,624,213 | 5,427,251 | 799,374 | 12,850,838 | 2,212 |
| Rathnapura | 43,076 | | 754,938 | 49,858,121 | 50,613,059 | 1,175 |
| Total | 158,060 | 11,958,778 | 27,287,251 | 150,488,218 | 189,734,247 | 1200 |
| Extent of lands (Hectares) in accordance with the tea small sholdings registration of Tea Board in 2022 | | 7,763 | 15,387 | 134,910 | 158,060 | - |
| Estimated Average Productivity /per Hectare | 2017 | 2,212 | 1,346 | 2,132 | 1,995 | - |
| | 2018 | 2,029 | 1,449 | 2,075 | 1,958 | - |
| | 2019 | 1,954 | 1,462 | 2,051 | 1,938 | - |
| | 2020 | 2,003 | 1,418 | 1,833 | 1,766 | - |
| | 2021 | 1,787 | 2,068 | 1,316 | 1,414 | - |
| | 2022 | 1,540 | 1,773 | 1,115 | 1,200 | - |

Source - As per the tea land registration of Sri Lanka Tea Board in 2016, stated including the extent of lands with less than 20 perches.

* Calculated excluding the extent of lands with less than 20 perches in order to calculate the productivity.

** Included the extent of tea lands with less than 20 perches.

* Apart from the basis of Administrative Districts, the production data are not convincing with the purchasing of green leaves for factories.

6. Special Project Activities of Promoting Investments in Tea Small Holdings

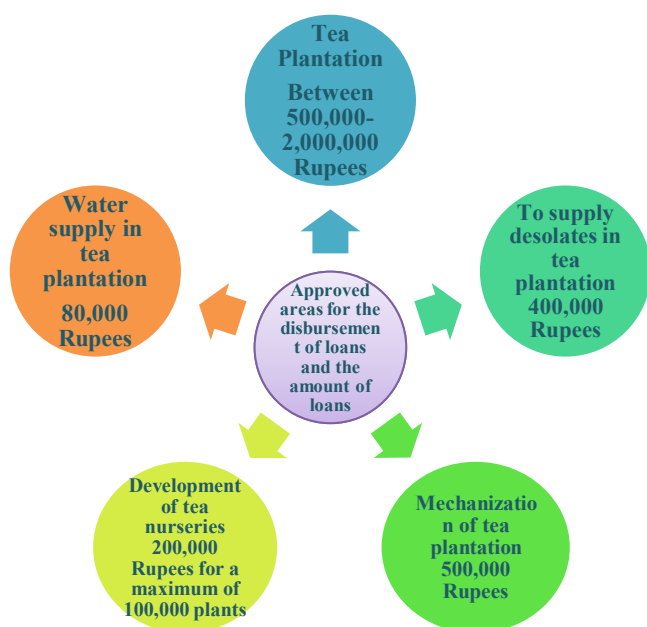
- 6.1 Special Loan Scheme of the Asian Development Bank.
- 6.2 Smallholders Tea & Rubber Revitalization Project (2016-2022) (STaRR Project).
- 6.3 Special Nursery Project of 25 million plants.
- 6.4 Special Projects. (2600 Million Rupees)
- 6.5 Special Projects. (670 Million Rupees)

06. Special Project Activities of Promoting Investments in Tea Small Holdings.

6.1 Special Loan Scheme of the Asian Development Bank

The small and medium enterprise loan scheme is implemented under this loan scheme on the empowerment of the small and medium enterprise sector.

In order to empower the small and medium enterprise sector through the loan scheme of the Asian Development Bank, it is targeted to improve the productions of the tea small holdings sector and to increase the standard of living of the community of tea small holdings. For this purpose, steps were taken to provide loan facilities through 10 financial institutions.



Basic Conditions

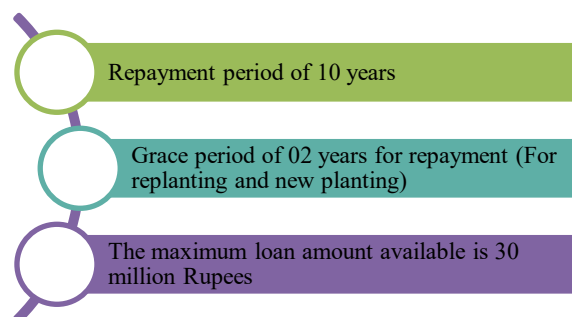


Table No. -30

Loan Scheme of the Asian Development Bank
Financial institutions providing loans and
Progress of providing loan recommendations as
at 31.12.2022

| Bank Name | No. of Beneficiaries | Total amount paid in relevance with the beneficiaries (Rs.) |
|---------------------------|----------------------|---|
| Commercial Bank | 113 | 195,812,448.00 |
| Hatton National Bank | 203 | 223,373,214.97 |
| Bank of Ceylon | 536 | 612,313,144.43 |
| Regional Development Bank | 808 | 1,505,015,984.40 |
| People's Bank | 369 | 370,026,268.95 |
| Sampath Bank | 47 | 87,793,391.81 |
| Seylan Bank | 262 | 505,630,320.94 |
| SANASA Development Bank | 78 | 66,292,557.00 |
| DFCC Bank | 117 | 157,867,377.77 |
| Pan Asia Bank | 10 | 17,236,625.12 |
| Nations Trust Bank | 4 | 12,899,480.00 |
| National Development Bank | | |
| National Savings Bank | 1 | 212,000.00 |
| Union Bank | 2 | 2,160,000.00 |
| NDB Bank | 5 | 15,229,542.24 |
| Total | 2555 | 3,771,862,355.63 |

6.2 Smallholders Tea & Rubber Revitalization (STaRR) Project (2016 - 2022)

From the total investment of 8,502 million Rupees of this project being implemented in the year 2016, the investment cost for the Tea Small Holdings Sector is 5,777 million Rupees. Thereby, 68% of the total investment has been allocated for the Tea Small Holdings Sector.

The general objectives of the project are enhancing food security in districts of the project and empowering tea small holders through improving the income. The project would be implemented for the Tea Small Holdings sector in 06 districts, Galle, Matara, Kandy, Nuwara Eliya, Rathnapura and Badulla. Therefore, it is proposed to develop the Tea Small Holdings sector through the following key objectives. Those are, strengthening the Tea Small Holdings Development Societies regarding the production and marketing of tea leaves, the production assistance operated through the tea leaves market, and the diversification of the income and market for tea small holders. It is targeted to replant tea to an extent of 4,500 hectares of tea small holdings and supplying infillings for up to a percentage of 15% for those tea lands. Apart from these, it is expected to strengthen the entrepreneurship of societies confirming the women participation related to 200 Tea Small Holdings Development Societies, to provide technical assistance for tea small holders, trainings for the tea nursery operators, the reconstruction of farm roads in the distance of 90 from areas of tea planting and to develop/facilitate the ability of tea small holders to obtain loans for their investments.

From the overall target of an extent of 4,500 hectares of uprooting for tea replanting project, a target of an extent of 1179.12 hectares was remained to be performed in the year 2022. The descriptive details of its progress are indicated in Schedule No. 4.

6.3 Special Project of 25 million Tea Plants - Tea Nursery Project

The Special Project of 25 million plants commenced in the year 2020 to fulfill the necessity of the annual

vegetative propagated tea plants needed for the tea sector. This project is implemented through the absolute involvement of our Authority that carries the responsibility of the tea small holders those who borne 75% of contribution to the tea production and through the provisions of the Sri Lanka Tea Board. The core objective of this project is to encourage the nurserymen to produce quality & standardized vegetative propagated tea plants while minimizing the production of vegetative propagated tea plants with no standard.

By the end of the year 2022, under this project, the benefits were provided to 922 nurserymen across 08 regional offices and, among those nurseries, 603 nurseries had produced approximately 17.32 million seedlings at the operational level.

The nurserymen would be admitted to the group with benefits after choosing them at the regional office level considering the capacity of plants from 25,000 to 50,000, conducting preliminary tests and issuing the permits. The following financial aids and applications were provided to the nurserymen as benefits in accordance with the capacity of plants.

The details regarding these payments are mentioned below in Table No. 31 and 32.

Table No. -31
Benefits provided for the Special Nursery Project of 25 million Tea Plants

| Item | Applications provided for a capacity of 25,000 plants | Applications provided for a capacity of 50,000 plants |
|---|---|---|
| Preparing the structure of the nursery applying Galvanized pipes/Box bars | 100,000.00 Rupees | 200,000.00 Rupees |
| 150 Gauge Polythene Bags | 26,250 | 52,500 |
| 300 Gauge Polythene Bags | 12.5 Kilograms | 25 Kilograms |
| 400 Milliliters Bottles of Metam Sodium | 50 | 100 |
| Black coloured Shade nets | 500 Square Meters | 1000 Square Meters |
| Water Motors | 1 | 1 |

Source: The Progress Report – Tea Small Holdings Development Authority

Table No. -32**Special Project of 25 million Plants****Progress as at 31.12.2022.**

| Regional Office | No. of nurseries at Operational Level | No. of plants producing |
|-----------------|---------------------------------------|-------------------------|
| Galle | 234 | 6,850,000 |
| Kaluthara | 27 | 675,000 |
| Rathnapura | 94 | 2,350,000 |
| Kegalle | 75 | 2,825,000 |
| Kandy | 49 | 1,525,000 |
| Nuwara Eliya | 23 | 575,000 |
| Uva | 19 | 475,000 |
| Matara | 82 | 2,050,000 |
| Total | 603 | 17,325,000 |

Source: The Progress Report – Tea Small Holdings Development Authority



6.4 Special Projects (2600 Million Rupees)

6.4.1 Direct Tea Planting.

Direct Tea Planting is identified as a strategy to increase tea yield in the short term. Even though it takes 4-5 years to harvest tea under the normal

plantation method, it only takes less than two and a half years to harvest by applying compost under the Direct Tea Plantation method. (This method has been approved for plantation by the Tea Research Institute as per the recommendations.)

Under this strategy, in the year 2022, Direct Tea Planting was completed in Rathnapura, Kandy, Kegalle, Nuwara Eliya and Uva districts as ¼ acre per farmer and reported a progress of 107% even exceeding the target, and a high tendency can be seen for this among farmers.

6.4.2 26 Compost Project

The Tea Research Institute in Sri Lanka has recommended that the percentage of organic materials in lands on which tea plantation is performed should be at a level more than 2%. Since the landowners at present comparatively show a low tendency in following methods of agronomic technology, in order to increase the organic percentage up to a higher level, this helps in maintaining a regular amount of yield after increasing soil fertility through the application of organic fertilizer to soil and in increasing the efficiency of chemical fertilizer.

The construction activities of 26 composting units in 08 regional offices belonged to the Tea Small Holdings Development Authority was commenced in the year 2022, and by the end of the year, all the construction activities were completed, and 360 Metric tons of compost and 1600 Liters of liquid compost were produced in those units.

In addition, 29.49 Metric tons of compost and 60 Liters of liquid compost were produced during the year 2022 under the compost production project commenced in regional offices in the year 2021 and obtained an income of 534,200.00 Rupees by trading 18.14 Metric tons of compost.

6.4.3 Sprinkler Water Systems in Tea Lands

The optimal water supply requirement for tea planting is an annual rainfall of 2500-3000 mm evenly distributed. But most tea lands are primarily water supplied from the annual rainfall. In such conditions, due to drought weather conditions, the

yield of tea planting can be reduced by 20% and beyond that, due to the severe effects of drought, tea plants and tea seedlings those which are economically effective may die. As a solution to this condition, this project has introduced establishing scattered water supply systems to provide tea small holdings with a regular water supply.

Under this project, 563 scattered water systems were established in Rathnapura, Kandy, Kegalle, Nuwara Eliya and Uva districts during the year 2022.

6.4.4 Livelihood Development Project for Tea Small Holders

Targeted at increasing the living condition of tea small holders by adding economically productive units in to the existing tea plantation, Livelihood Development programs were executed during the year 2022 by the Tea Small Holdings Development Authority under the above mentioned project. Establishing the farms mechanism based on tea planting can be stated as another purpose of this projects. Accordingly, associated with tea planting, one of the sections from poultry farming, mushroom cultivation or beekeeping, and export crop seedlings were provided to tea small holders. The support from the National Livestock Board was taken for poultry farming and the support from the Ministry of Export Agriculture was taken in procuring export agricultural crops.

Under this project, in the year 2022, benefits were provided to 1576 beneficiaries in Rathnapura, Kandy, Kegalle, Nuwara Eliya and Uva districts.

Table No. -33

The Progress of the 670 Million Rupees Special Project as at 31.12.2022

| District | Direct Tea Planting | | Scattered Water System Establishment | Livelihood Development Program |
|-----------------------------------|---------------------|--------------------|--------------------------------------|--------------------------------|
| | Land Preparation | Planting Seedlings | No. of systems established | No. of beneficiaries |
| Rathnapura | 54 | 54 | 151 | 468 |
| Kandy | 35 | 35 | 99 | 352 |
| Kegalle | 35 | 35 | 202 | 171 |
| Nuwara Eliya | 9 | 9 | 49 | 170 |
| Uva | 35 | 35 | 62 | 415 |
| Total | 168 | 168 | 563 | 1576 |
| Financial Target (Million Rupees) | 119.70 | | 56.20 | 61.97 |
| Amount Paid (Million Rupees) | 46.08 | | 52.10 | 50.05 |

Source: The Progress Report – Tea Small Holdings Development Authority

6.4.5 Project for establishing Jambo Sapling Nurseries

This project was commenced in the year 2022 to produce 100,000 high quality tea seedlings that provide a short term yeild and that are resistant to changing climatic conditions.

It was planned to purchase these seedlings from commercial nurserymen who produce jambo seedlings in Galle and Matara. By the end of the year 2022, the commercial nurserymen in Galle and Matara districts signed agreements to commence producing jambo seedlings and it was started to make payments for that.

6.4.6 Mechanization Training Groups.

This has been identified in the 2021-2025 Five year strategic plan as a strategy that reduces cost of production. Basically, farmer training programs have been introduced to direct the use of machinery in tea planting.

Through the non-popularity in the usage of machinery in tea planting, there is a low propensity in integrating technology with tea planting, and also

the labour shortage and skilled employee shortage have become a major issue at present.

In order to increase the efficiency of tea planting, this project was implemented targeted at promoting the usage of machinery. Youth groups were selected for this program basing the eight regional offices of the Tea Small Holdings Development Authority and the training on the corresponding machinery was held in the Hanthana Training Centre.

Based on the success of this program executed in the year 2021, under an allocation of 2.00 Million Rupees of provisions as a mechanization project in the year 2022, training programs were held on the usage of machinery in tea planting. Accordingly, mechanization training programs, Galle – 42, Kegalle – 62, Kandy – 39, Uva – 60, Rathnapura – 35, Kaluthara – 50, Nuwara Eliya – 49 and Matara – 55, are provided for 392 young farmers in 8 regional offices and the theoretical and practical training is provided in the Hanthana Training Centre; and based on the areas of jurisdiction of Regional Tea Development Extension officers, they have been appointed to perform field work.

6.4.7 Establishing One Stop Tea Service Center. (Dehiowita)

This service platform was established in Dehiowita in Kegalle district targeted at improving the Technical and service efficiency of the Tea Small Holdings Development Authority.

6.4.8 Establishing One Stop Tea Service Center. (Walahanduwa)

This service platform was established in Walahanduwa in Galle district targeted at improving the Technical and service efficiency of the Tea Small Holdings Development Authority.

6.5 Special Projects (670 Million Rupees) 🌱

6.5.1 Direct Tea Planting.

Targetted at increasing the yeild of green tea leaves in the short term based in Galle, Matara and Kaluthara districts as a strategy to increase the yeild of green tea leaves in tea planting, this project was commenced in the year 2022.

Accordingly, by the end of the year, direct tea planting was performed in an extent of 189 hectares.

6.5.2 Sprinkler Water Systems in Tea Lands

The optimal water supply requirement for tea planting is an annual rainfall of 2500-3000 mm evenly distributed. In order to fulfill that requirement, by the end of the year 2022, 365 scattered water systems were established under this project in Galle, Matara and Kaluthara districts.

6.5.3 Livelihood Development Project for Tea Small Holders

Targeted at increasing the living condition of tea small holders by adding economically productive units in to the existing tea plantation, in the year 2022, Livelihood Development projects were executed for 1000 beneficiaries in Galle, Matara and Kaluthara districts.

Table No. - 34

The Progress of the 670 Million Rupees Special Project as at 31.12.2022

| District | Direct Tea Planting | | Scattered Water System Establishment | Livelihood Development Program |
|--|-----------------------------|-------------------------------|--------------------------------------|--------------------------------|
| | Land Preparation (Hectares) | Planting Seedlings (Hectares) | No. of systems established | No. of beneficiaries |
| Galle | 99 | 99 | 110 | 260 |
| Matara | 50 | 50 | 201 | 499 |
| Kaluthara | 40 | 40 | 54 | 241 |
| Total | 189 | 189 | 365 | 1000 |
| Financial Target (Million Rupees) | 141.83 | | 35.80 | 41.19 |
| Amount Paid (Million Rupees) | 88.74 | | 35.80 | 41.19 |

Source: The Progress Report – Tea Small Holdings Development Authority

7. Cultivation Cost and Price of Tea Leaves in Tea Small Holdings Sector

7.1 Labor Cost

7.2 Production Cost for one kilogram of Green Tea Leaves

7.3 Production Margin and Price

7.4 Cost of Tea Replanting

7.5 Rate of Incentives and Cost of Cultivation per one Hectare

7. Cultivation Cost and Price of Tea Leaves in Tea Small Holdings Sector

7.1 Labor Cost

The labor cost has also been increased significantly like other costs due to the crisis caused by the fuel shortage in the year 2022.

In accordance with the annual details obtained at field level on the Tea Small Holdings Sector, when considering the labor shortage for plucking tea leaves, pruning & weeding and the level of daily wages in the Tea Small Holdings Sector, the revealing factor that caused in increasing the labor cost is that the payment of a high amount of wages higher than the standard level of wages confirmed by the Wages Boards Ordinance. Furthermore, there are several instances where variances in the wage level have been reported at the regional level. Therefore, compared to the wage level in the organized Tea Small Holdings Sector, since the wage level of daily laborers in the unorganized Tea Small Holdings Sector remains high, it had been reported as the price of labor.

Moreover, it had been reported that when paying salaries for the laborers on plucking tea leaves, wages were paid depending on the extent of kilograms of the leaves plucked. The instances where an additional price was paid when it exceeds the average of the daily leaves plucked; and a daily wage higher than the daily wage of plucking tea leaves was paid for the trained labor tasks such as pruning.

7.2 Production Cost for one kilogram of Green Tea Leaves

Accordingly, with the data of Sri Lanka Tea Board, the estimated production cost of one kilogram of green tea leaves as per the prices received from the Colombo Tea Auction based on the location and the average paying price of one kilogram of leaves are mentioned in the Table No. 36.

Compared to the year 2021, the average price paid for one kilogram of green tea leaves had been increased by 91.50 Rupees or by 101 %. The cost of production had been increased by 136.33 Rupees.

Diagram No. 17

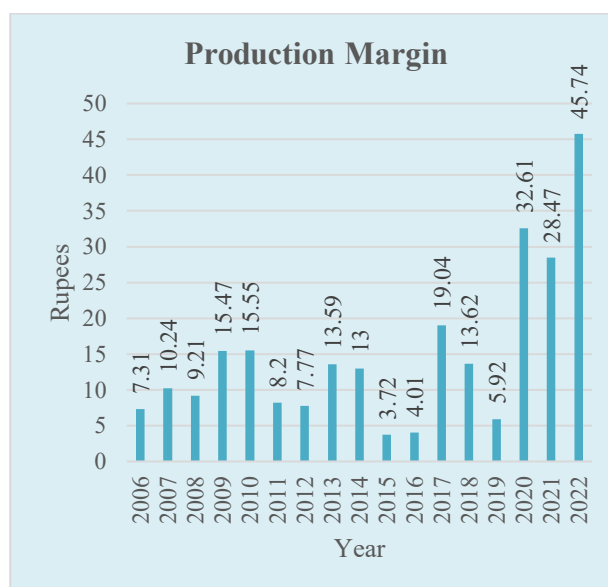


Table No. - 35

The Price received for one kilogram of green tea leaves and the Production Cost

| Year | Average Paying Price (Rupees per Kilogram) | Average Production Cost (Rupees per Kilogram) |
|------|---|--|
| 2006 | 29.18 | 21.87 |
| 2007 | 40.88 | 30.64 |
| 2008 | 45.45 | 36.24 |
| 2009 | 52.71 | 37.24 |
| 2010 | 54.11 | 38.56 |
| 2011 | 52.63 | 44.43 |
| 2012 | 57.27 | 49.50 |
| 2013 | 64.99 | 51.40 |
| 2014 | 67.54 | 54.54 |
| 2015 | 58.80 | 55.08 |
| 2016 | 68.53 | 64.52 |
| 2017 | 90.69 | 71.65 |
| 2018 | 85.48 | 71.86 |
| 2019 | 80.15 | 56.28 |
| 2020 | 92.55 | 59.94 |
| 2021 | 90.57 | 65.20 |
| 2022 | 182.07 | 136.33 |

Source: Sri Lanka Tea Board

Prices of Green Tea Leaves and the Estimated Cost been in the year 2022

Accordingly with the data of the Sri Lanka Tea Board, compared to the year 2021, the average price of one kilogram of made tea for all the elevations had been increased in the year 2022. In the year 2021, the price paid for one kilogram of Up-Country green tea leaves had been increased up to 86.76 Rupees, the price paid for Mid-lands up to 87.66 Rupees and the price paid for Lowlands up to 108.28 Rupees. The total average price paid for one kilogram of green tea leaves in the year 2021 was 90.57 Rupees and it had been increased up to 182.07 Rupees in the year 2022. Further details of it are indicated in the Table below.

7.3 Production Margin and Price

The average productivity of production of the Tea Small Holdings Sector in the year 2022 as per the average price of tea leaves for the year and the estimated cost, the production margin was 45.74 Rupees. In the year 2021, it was 25.37 Rupees. Accordingly, compared to the year 2021, in the year

2022, the Production Margin had been increased by 20.37 Rupees.

Table No. -36

Price paid for one kilogram of green tea leaves.

| Green tea leaves by altitude | Year of 2019 (Rupees) | Year of 2020 (Rupees) | Year of 2021 (Rupees) | Year of 2022 (Rupees) | The amount of the Price Change (Rupees) Compared to 2021 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--|
| Up Country | 75.80 | 86.76 | 87.47 | 163.36 | 75.89 |
| Midlands | 69.19 | 81.42 | 80.77 | 151.58 | 70.81 |
| Lowlands | 88.07 | 97.69 | 94.44 | 196.70 | 102.26 |
| Total Average Price per one Kilogram of tea leaves | 80.15 | 92.55 | 90.57 | 182.07 | 91.5 |

Source: Data from Sri Lanka Tea Board

7.4 Cost of Tea Replanting

The high rate of labor cost on tea replanting due to the shortage of labor, the removal of the amount of financial subsidy for fertilizer and the limitation in importing chemical fertilizers caused in increasing the market price of fertilizer and that specially influenced in the high cost of cultivation. From the total cost, an amount of 80% had to be spent as cost of labor. The estimate on the Cost of Replanting per hectare is revealed in the Table No. 37 & 38 below.

Table No. - 37

Estimate on the Cost of Replanting per Hectare 2021/2022
(Rupees) (From the phase of Uprooting to Tea leaves Plucking)

| Activity | 2021 | | 2022 | |
|--------------------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | High and Mid (Rupees) | Lowlands (Rupees) | High and Mid (Rupees) | Lowlands (Rupees) |
| Uprooting (First Year) | 881,971.00 | 714,337.00 | 814,231.00 | 981,871.00 |
| Soil Rehabilitation (Second Year) | 213,950.00 | 227,185.00 | 478,285.00 | 381,350.00 |
| Tea Planting (Third Year) | 1,356,640.00 | 1,317,640.00 | 1,725,340.00 | 1,853,840.00 |
| First Year Maintenance (Fourth Year) | 642,750.00 | 608,400.00 | 1,264,500.00 | 1,290,750.00 |
| Second Year Maintenance (Fifth Year) | 430,250.00 | 413,000.00 | 885,500.00 | 902,750.00 |
| Total | 3,525,561.00 | 3,280,562.00 | 5,167,862.00 | 5,410,561.00 |

Source: The Progress Report – Tea Small Holdings Development Authority

7.5 Percentage of Incentives per hectare and Cost of Cultivation

When considering the amounts of incentives and cost of cultivation in the year 2022, it can be clearly

seen from the following table that approximately 12% from the cost of cultivation was able to be covered from the incentives of replanting.

Table No. -38

Percentage of Incentives per hectare and Cost of Cultivation

| Year | * Cost of Cultivation (Rupees) | | Cultivation Subsidy Ratio | | Percentage covered by Cost of Cultivation (%) | |
|------|--------------------------------|-----------|---------------------------|----------|---|----------|
| | High/Midlands | Lowlands | High/Midlands | Lowlands | High/Midlands | Lowlands |
| 1996 | 297,622 | 270,767 | 67,000 | 57,000 | 22% | 21% |
| 1997 | 361,643 | 327,769 | 67,000 | 57,000 | 18% | 17% |
| 1998 | 411,564 | 347,456 | *110000 | *100000 | 27% | 29% |
| 1999 | 445,504 | 377,068 | 110,000 | 100,000 | 25% | 27% |
| 2000 | 485,894 | 396,186 | 110,000 | 100,000 | 23% | 25% |
| 2001 | 550,744 | 513,866 | 110,000 | 100,000 | 20% | 19% |
| 2002 | 653,463 | 589,916 | 110,000 | 100,000 | 17% | 17% |
| 2003 | 712,815 | 643,451 | 160,000 | 150,000 | 22% | 23% |
| 2004 | 796,315 | 717,351 | 160,000 | 150,000 | 20% | 20% |
| 2005 | 1,026,322 | 1,009,427 | 160,000 | 150,000 | 16% | 15% |
| 2006 | 1,031,377 | 1,024,287 | 200,000 | 190,000 | 19% | 19% |
| 2007 | 1,148,177 | 1,125,494 | 200,000 | 190,000 | 17% | 17% |
| 2008 | 1,458,989 | 1,420,360 | 200,000 | 190,000 | 14% | 13% |
| 2009 | 1,516,332 | 1,452,292 | 200,000 | 190,000 | 13% | 13% |
| 2010 | 1,704,051 | 1,625,290 | 200,000 | 190,000 | 12% | 12% |
| 2011 | 1,836,280 | 1,724,904 | 250,000 | 240,000 | 14% | 14% |
| 2012 | 1,836,280 | 1,724,904 | 300,000 | 300,000 | 16% | 17% |
| 2013 | 1,929,930 | 1,810,904 | 350,000 | 350,000 | 18% | 19% |
| 2014 | 1,929,930 | 1,810,904 | 350,000 | 350,000 | 18% | 19% |
| 2015 | 2,304,530 | 2,154,904 | 500,000 | 500,000 | 22% | 23% |
| 2016 | 2,823,735 | 2,648,442 | 500,000 | 500,000 | 18% | 19% |
| 2017 | 3,393,454 | 3,177,175 | 500,000 | 500,000 | 15% | 16% |
| 2018 | 3,441,019 | 3,222,744 | 500,000 | 500,000 | 15% | 16% |
| 2019 | 3,471,171 | 3,224,282 | 500,000 | 500,000 | 14% | 15% |
| 2020 | 3,520,931 | 3,268,212 | 500,000 | 500,000 | 14% | 15% |
| 2021 | 3,525,561 | 3,280,562 | 630,000 | 630,000 | 17% | 19% |
| 2022 | 5,410,561 | 5,167,162 | 630,000 | 630,000 | 11.6% | 12% |

Source : * Details from Tea Research Institute

Schedule No. - 01

Estimate on the Production Cost of a Kilogram of Green Tea Leaves 2022 (Low Country) 5,185
Kilograms of Green Leaves per Hectare /Year (As 1,115 Kilograms of Prepared Tea)

| | Activity | Frequency of Practice | Units of Labor | Cost of Raw Materials Rupees | Total Cost Rupees | % |
|--|--|-------------------------------------|----------------|------------------------------|-------------------|-------|
| 1 | Leaves Plucking (25 Kilograms per person per day) | 1/2 labor for 45 times | 207 | - | 186651 | 26.8 |
| 2 | Suppression of Weeds | 10 laborers per month | 58 | - | 68150 | 9.79 |
| 3 | Fertilizer mixture and application | | | | | |
| | i Applying matured tea fertilizer mixture | 8 laborers each (For 2-4 times) | 24 | 296400 | 324600 | 46.61 |
| | ii Applying Dolomite | 4 laborers each (For 2 times cycle) | 2 | 6003 | 8353 | 1.2 |
| | iii Applying Zinc Sulfate | 5 laborers each (For 2 times) | 5 | 3300 | 9175 | 1.32 |
| 4 | Shade Tree Management | 5 laborers each (For 2 times) | 10 | | 11750 | 1.69 |
| 5 | Pruning | 30-40 laborers each | 20 | | 30000 | 4.31 |
| | | (For 2 times cycle) | | | | |
| 6 | Moss Removal | 12-20 laborers each | 6 | | 7050 | 1.01 |
| | | (For 2 times cycle) | | | | |
| 7 | Trimming Levels | 12-20 laborers each | 6 | | 7050 | 1.01 |
| | | (For 2 times cycle) | | | | |
| 8 | Draining | 36 laborers each | 18 | | 21150 | 3.04 |
| | | (For 2 times cycle) | | | | |
| 9 | Infilling | 16 laborers for 375 plants | 8 | 13125 | 22525 | 3.23 |
| | | | 364 | 318828 | 696454 | 100 |
| Average Production Cost for One Kilogram of Green Tea Leaves | | | 134.33 | | | |
| | | | | | | |
| | Transportation Expenses (Rupees) | | 2.00 | | | |
| | Cost of Production (Rupees) | | 136.33 | | | |
| * | 2-year time cycle has been used for Lowlands | | | | | |
| * | Fertilizer mixtures and volumes are in accordance with the recommendations of Tea Research Institute and the prices are that existed within the year | | | | | |
| * | The price of a tea shoot plant is 35 Rupees | | | | | |
| * | The transportation cost has been included in the cost of raw materials | | | | | |
| | | | Rupees | | | |
| * | Daily wage of a laborer | | 1175 | | | |
| * | Daily wage for pruning | | 1500 | | | |
| * | 1 Metric Ton of Dolomite | | 9000 | | | |
| * | 1 Kilogram of Zinc Sulfate | | 300 | | | |
| * | 1 Metric Ton of UT-397/VPLC/U 709/ UT 752 | | 300000 | | | |
| * | Tea Leaves Plucking | | 900 | | | |

Schedule No. - 02

Tea Production of the Tea Small Holdings Sector
1983 - 2022 (Million Kilograms)

| Year | National Production | Production of the Tea Small Holdings Sector | | Contribution to the National Production % |
|------|---------------------|---|-------------------|---|
| | | Production | Growth Percentage | |
| 1983 | 179.28 | 62.4 | - | 34.8 |
| 1984 | 208.05 | 77.4 | 6.9 | 37.2 |
| 1985 | 214.09 | 82 | 120.4 | 38.3 |
| 1986 | 211.27 | 83 | 1.2 | 39.3 |
| 1987 | 213.32 | 91.1 | 9.75 | 42.7 |
| 1988 | 226.95 | 100.2 | 9.99 | 44.2 |
| 1989 | 206.98 | 92.2 | -8.98 | 44.5 |
| 1990 | 223.16 | 113.7 | 23.3 | 48.7 |
| 1991 | 240.74 | 121.1 | 6.51 | 50.3 |
| 1992 | 178.86 | 94.9 | -21.63 | 53 |
| 1993 | 231.87 | 125.3 | 32.02 | 54 |
| 1994 | 242.21 | 139.8 | 11.57 | 57.7 |
| 1995 | 245.96 | 140 | 0.14 | 56.9 |
| 1996 | 258.42 | 147.8 | 5.57 | 57.2 |
| 1997 | 276.86 | 149.3 | 1.01 | 53.9 |
| 1998 | 280.05 | 165.9 | 11.12 | 59.2 |
| 1999 | 283.76 | 164 | -1.11 | 57.8 |
| 2000 | 305.84 | 183.7 | 12.01 | 60 |
| 2001 | 295.09 | 183.4 | -0.06 | 62.1 |
| 2002 | 310.03 | 189.5 | 3.33 | 61.1 |
| 2003 | 303.23 | 187.9 | -0.84 | 61.9 |
| 2004 | 308.08 | 203 | 8.04 | 65.9 |
| 2005 | 317.19 | 205.8 | 2.95 | 64.9 |
| 2006 | 310.82 | 212.4 | 3.2 | 68.3 |
| 2007 | 304.61 | 205.7 | -3.1 | 67.5 |
| 2008 | 318.69 | 214.8 | 4.4 | 67.4 |
| 2009 | 291.13 | 201.9 | -6 | 69.3 |
| 2010 | 331.42 | 230.1 | 13.98 | 69.4 |
| 2011 | 327.53 | 229 | -0.48 | 69.9 |
| 2012 | 326.27 | 233.1 | 1.78 | 71.4 |
| 2013 | 340.22 | 245.4 | 5.3 | 72.2 |
| 2014 | 338.03 | 247.4 | 0.8 | 73.1 |
| 2015 | 328.96 | 239.86 | -3 | 72.9 |
| 2016 | 292.57 | 218.06 | -9 | 74.5 |
| 2017 | 307.72 | 232.42 | 6.6 | 75.5 |
| 2018 | 303.94 | 228.05 | -1.9 | 75 |
| 2019 | 300.13 | 225.73 | -1.02 | 75.2 |
| 2020 | 278.49 | 205.67 | -8.08 | 73.8 |
| 2021 | 299.33 | 223.20 | 8.52 | 74.6 |
| 2022 | 251.44 | 189.73 | -14.99 | 75.4 |

Source: Production Data from Sri Lanka Tea Board

Schedule No. - 03

Tea Exports and Foreign Exchange Revenues
1995 – 2022

| Year | ** Exported Amount (Million Kilograms) | * Export Revenues (Million Rupees) | Percentage of the Contribution of Total Export Revenues (%) |
|------|---|---------------------------------------|---|
| 1995 | 240 | 24,638 | 12.62 |
| 1996 | 244 | 34,068 | 15.02 |
| 1997 | 269 | 42,533 | 15.51 |
| 1998 | 272 | 50,280 | 16.19 |
| 1999 | 269 | 43,728 | 13.44 |
| 2000 | 288 | 53,133 | 12.06 |
| 2001 | 294 | 61,602 | 14.31 |
| 2002 | 291 | 63,105 | 14.00 |
| 2003 | 298 | 65,937 | 13.30 |
| 2004 | 300 | 74,890 | 12.08 |
| 2005 | 309 | 81,480 | 12.70 |
| 2006 | ***315 | ***86,337 | 12.80 |
| 2007 | ***294 | ***106,217 | 13.20 |
| 2008 | 320 | 137,585 | 15.60 |
| 2009 | 280 | 136,183 | 16.70 |
| 2010 | 315 | 155,608 | 16.60 |
| 2011 | 323 | 164,869 | 14.10 |
| 2012 | 320 | 180,430 | 14.48 |
| 2013 | 319.6 | 199,446 | 14.80 |
| 2014 | 327.3 | 212,588 | 14.60 |
| 2015 | 306.9 | 182,054 | 12.80 |
| 2016 | 288.7 | 184,778 | 12.30 |
| 2017 | 288.9 | 233,338 | 13.50 |
| 2018 | 282.4 | 231,750 | 12.00 |
| 2019 | 292.65 | 240,636 | 13.41 |
| 2020 | 265.56 | 230,170 | 12.35 |
| 2021 | 285.871 | 263,353 | 12.50 |
| 2022 | 250.171 | 411,054 | 10.00 |

* With re-export revenues included

** Including imported tea

*** Excluding re-export revenues

Source: -Sri Lanka Tea Board Progress Report 2022

Schedule No. - 04

Small-holder Tea and Rubber Revitalization (STaRR) Project Progress as at 31/12/2022

| Progress as at 31.12.2022 | Total Target | Applications | | Issuance of Permits in 2022 | | Land Preparation 2022 | | | Soil Rehabilitation I 2022 | | | Soil Rehabilitation I 2022 | | | Planting 2022 | | | After one Year 2022 | | |
|---------------------------|--------------|---------------|-----------------|-----------------------------|-----------------|-----------------------|-----------------|-----------------------|----------------------------|-----------------|-----------------------|----------------------------|-----------------|-----------------------|---------------|-----------------|-----------------------|---------------------|---------------|-----------------------|
| | | No. | Extent of Lands | No. | Hec | No. | Hec | Amount Million Rupees | No. | Hec | Amount Million Rupees | No. | Hec | Amount Million Rupees | No. | Hec | Amount Million Rupees | No. | Hec | Amount Million Rupees |
| Galle | 1,400 | 6,292 | 1,596.62 | 6,515 | 1,568.28 | 4,081 | 745.66 | 97.73 | 3,933 | 715.7 | 35.78 | 3647 | 658.42 | 131.68 | 2194 | 382.69 | 27.34 | 1,250 | 212.41 | 10.64 |
| Matara | 1,200 | 7,987 | 1,744.15 | 8,089 | 1,691.04 | 6,412 | 1040.89 | 136.16 | 6,309 | 1,023.50 | 51.17 | 5843 | 945.46 | 189.09 | 4415 | 701.26 | 49.54 | 2,388 | 376.37 | 18.831 |
| Rathnapura | 1,200 | 6,560 | 1,893.43 | 6,198 | 1,739.36 | 4,245 | 910.99 | 120.6 | 4,108 | 880.72 | 44.04 | 3569 | 749.82 | 149.96 | 1550 | 321.2 | 22.63 | 777 | 154.08 | 7.704 |
| Kandy | 100 | 2,478 | 672.34 | 2,111 | 456.3 | 1,374 | 235.06 | 30.56 | 1,344 | 229.41 | 11.47 | 1227 | 193.64 | 38.73 | 870 | 131.98 | 9.24 | 590 | 88.74 | 4.437 |
| Nuwara Eliya | 200 | 1,739 | 424.19 | 1,219 | 232.43 | 683 | 95.03 | 12.35 | 630 | 86.36 | 4.32 | 555 | 76.3 | 15.26 | 322 | 44.53 | 3.13 | 176 | 25.54 | 1.279 |
| Uva | 400 | 3,052 | 760.65 | 2,896 | 541.82 | 1,993 | 293.24 | 39.28 | 1,916 | 282.67 | 14.13 | 1774 | 259.34 | 51.87 | 1181 | 165.3 | 11.79 | 535 | 75.51 | 3.781 |
| Total | 4,500 | 28,108 | 7,091.38 | 27,028 | 6,229.23 | 18,788 | 3,320.87 | 436.68 | 18,240 | 3,218.36 | 160.91 | 16,615 | 2,882.98 | 576.59 | 10,532 | 1,746.96 | 123.67 | 5,716 | 932.65 | 46.67 |

Source: The Progress Report – Tea Small Holdings Development Authority

8. Final Accounts of Tea Small Holdings Development Authority as at 31.12.2022 and The Auditor General's Report



TEA SMALL HOLDING DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

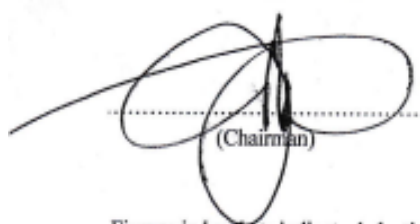


TSHDA

(Expressed in Sri Lanka Rupees)

| | Note No | 2022 | 2021 |
|-----------------------------------|------------|----------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash equivalents | 1 | 305,804,528 | 526,294,029 |
| Receivables | 2 | 116,043,299 | 118,910,513 |
| Inventories | 3 | 109,536,281 | 181,556,343 |
| Prepayments | 4 | 1,179,599 | 1,010,024 |
| Other Current Assets | 5 | - | 31,164,393 |
| | | 532,563,706 | 858,935,302 |
| Non- Current Assets | | | |
| Investments (Fixed Deposit) | 6 | 19,968,826 | 77,397,820 |
| Other financial assets | 7 | 7,331,796 | 9,225,720 |
| Property, Plant and Equipment | 8 | 903,851,632 | 746,109,541 |
| Less: Acc. Depreciation | | (200,962,268) | (147,099,249) |
| Total Assets | | 1,262,753,692 | 1,544,569,134 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 9 | 269,615,467 | 484,825,827 |
| Accrued Expenses | 10 | 123,188,876 | 35,927,530 |
| | | 392,804,343 | 520,753,357 |
| Non - Current Liabilities | | | |
| Employee benefits (Gratuity) | 11 | 191,766,183 | 183,915,761 |
| Total Liabilities | | 584,570,526 | 704,669,118 |
| Net Assets | | 678,183,166 | 839,900,015 |
| NET ASSETS/EQUITY | | | |
| Capital contributed by government | | 294,481,845 | 269,648,283 |
| Revaluation Surplus | | 232,935,807 | 232,935,807 |
| Accumulated surplus/(deficits) | | (10,268,536) | 263,900,017 |
| Grants | 12 | 161,034,050 | 73,415,908 |
| Total Net Assets / Equity | | 678,183,166 | 839,900,015 |

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.


(Chairman)


Director


General Manager


Finance Manager

Figures in brackets indicate deductions

Notes to the Financial Statements on pages 03 to 05 form an integral part of these Financial Statements

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st DECEMBER 2022

(Expressed in Sri Lanka Rupees)

| | Sh. No | 2,022 | 2021 |
|--|-----------|----------------------|------------------------|
| Tresury Funds | 1 | | |
| Development Capital | | 109,651,288 | 1,324,131,642 |
| Recurrent | | 443,556,000 | 412,500,000 |
| Other Income | 2 | | |
| Interest - F/D | | 8,219,550 | 3,715,929 |
| Interest - C/D | | 15,546,164 | 1,374,043 |
| Interest on Loan to Employees | | 2,976,113 | 3,324,785 |
| Miscellaneous Income | | 3,982,465 | 3,516,455 |
| Income Over Expenditure | | | |
| Hanthana | 3 | 5,104,817 | 2,769,752 |
| Surplus (Deficit) in Tea Field & M. B | 4 | (2,194,511) | (1,596,687) |
| Surplus (Deficit) in Nurseries | 5 | 4,455,451 | 4,975,134 |
| | | <u>38,090,049</u> | <u>18,079,412</u> |
| | | 591,297,337 | 1,754,711,054 |
| Development Expenditure | 6 | | |
| Subsidies | | (462,811,589) | (1,030,214,721) |
| Extension | | (27,564,407) | (138,317,525) |
| Society Development | | (2,689,833) | (2,076,761) |
| Institutional Development | | (4,938,336) | (6,102,217) |
| | | (498,004,165) | (1,176,711,224) |
| OPERATING EXPENCES | 7 | | |
| Salaries, EPF, ETF & Other Allowances | | (329,063,142) | (299,643,590) |
| Overtime & Holiday Payments | | (4,844,522) | (6,508,272) |
| Travelling & Subsistence | | (7,185,493) | (6,255,614) |
| Repairs & Maintainance | | (34,049,839) | (29,146,255) |

| | | | |
|--|--------------|----------------------|----------------------|
| Supplies | (11,330,122) | | (6,969,164) |
| Communication | (6,530,020) | | (5,530,777) |
| Rates, Tax & Utilities | (6,876,784) | | (6,230,543) |
| Other Operating Expenses | (36,637,527) | | (30,133,184) |
| Total Operating Expenses | | (436,517,449) | (390,417,399) |
| Surplus/(Deficit) from operating activities | | (343,224,277) | 187,582,432 |
| Gratuity | (13,931,912) | | (11,918,974) |
| Depreciation and amortization expenses | (56,753,106) | | (39,847,281) |
| Provisions for Bad Debt/written off debtors | (905,088) | | (267,655) |
| Provision of Contingency | 2,243,938 | | 795,672 |
| Provision Adjustment | 97,547,250 | 28,201,082 | (51,238,237) |
| Net surplus / (Deficit) before extra ordinary items | | (315,023,195) | 136,344,194 |
| Deferred Income | 8 | 31,824,643 | 35,451,759 |
| | | (283,198,552) | 171,795,953 |
| Prior year Adjustment | | | |
| Net surplus / (Deficit) for the period | | (283,198,552) | 171,795,953 |

Figures in brackets indicate deductions

Financial Statements 2022

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

CASH FLOW STATEMENT FOR YEAR ENDED 31st DECEMBER, 2022

(Expressed in Sri Lanka Rupees)

| | | |
|---|----------------------|---------------------|
| Cash Flow from Operating Activities | 2,022 | 2,021 |
| Surplus/(deficit) from ordinary activities | (274,168,553) | 169,304,792 |
| Non-cash movements | | |
| Deferred Income | (31,824,643) | (35,451,759) |
| Depreciation | 56,753,106 | 39,847,281 |
| Provision for Gratuity | 13,931,912 | 11,918,974 |
| Gratuity Paid | (6,081,490) | (14,229,966) |
| Increase/decrease in provision for doubtful debts | 905,088 | 267,655 |
| Contingency Payment | | (209,098) |
| Provision of Contingency | (2,243,938) | (795,672) |
| Interest Income | (26,741,827) | (8,414,757) |
| Increase /decrease in payables | (125,705,076) | 218,381,216 |
| (Gains)/losses on sale of property, plant and equipment | (147,781) | (432,930) |
| Increase /decrease in other assets | 90,487,310 | (88,461,140) |
| Increase /decrease in receivables | 9,588,025 | (8,144,692) |
| Increase /decrease in Inventory Item | 72,020,062 | (26,365,478) |
| Net cash flows operating activities | (223,227,805) | 257,214,425 |
| Cash flows from investing activities | | |
| Purchase of plant and equipment | (160,679,770) | (49,849,971) |
| Proceeds from sale of plant and equipment/cost disposals | 195,373 | 491,903 |
| Net cash flows investing activities | (160,484,398) | (49,358,068) |
| Cash flow from financing activities | | |
| Interest received | 18,946,354 | 10,244,951 |
| Government Grant for Development Ex. | | |
| Capital Grants | 97,927,635 | |
| Revaluation Surplus | | |
| Government Contribution | 46,348,712 | 44,868,357 |
| Net Cash flow from financing activities | 163,222,701 | 55,113,308 |
| Net increase/(decrease) in cash and cash equivalents | (220,489,502) | 262,969,664 |
| Cash and cash equivalents at beginning of period | 526,294,029 | 263,324,365 |
| Cash and cash equivalents at end of period | 305,804,527 | 526,294,029 |

Figures in brackets indicate deductions

NOTES TO THE FINANCIAL STATEMENTS

Reporting Entity

1.1. Corporate information

Tea Small Holdings Development Authority (TSHDA) was established in 1977, under the Tea Small Holdings Development Act No. 35 of 1975. 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.

Tea Small Holding Development Authority consists of eight regional offices & Rathnasiri Wikramanayake Training Center.

1.2. Financial Statements

Financial Statements of the Tea Small Holding Development Authority are prepared as at for the year ended 31 December 2022

Accounting Policies

2.1. Basis of Accounting

The Consolidated Financial Statements of the T.S.H.D.A have been prepared in accordance with Sri Lanka Public Sector Accounting Standards as laid down by the Institute of Chartered Accountants of Sri Lanka. There is no adjustment that has been made for inflationary factors affecting those accounts.

2.2. Comparative Information

The comparative information is provided, if it is relevant to understand the current period's Financial Statements and reclassified wherever necessary to conform to the current year's presentation.

2.3. Events after the Reporting Date

All material events occurring after the Balance Sheet have been considered and where necessary, adjustments & disclosures have been made.

Property, Plant and Equipment

3.1. Recognition

Property, Plant and Equipment (PPE) are recognised if it is probable that future economic benefits associated with the assets will flow to the Authority and the cost of the asset can be reliably measured.

3.2. Measurement

Cost of Property, Plant and Equipment includes expenditures that are directly attributable to the acquisition of the asset. Items of Property, Plant and Equipment are measured at cost less accumulated depreciation. Properties that carried at revaluation amount being their fair value at the date of revaluation, less any subsequent accumulated depreciation.

Any surplus arising from revaluation of an asset is accumulated under the Revaluation Reserve in Equity through Other Comprehensive Income.

3.3. Depreciation

Depreciation is recognised in Statement of Profit or Loss on a straight-line basis over the estimated useful lives.

Estimated useful lives for the current and comparative periods are as follows,

| | |
|---------------------|-------|
| Buildings | 2.00% |
| Motor Vehicles | 20.0% |
| Furniture, Fittings | 12.5% |
| Office Equipment | 12.5% |
| Computer | 20.0% |
| Machinery | 20.0% |

Land is not depreciated. Further, the cost of expansion and major renovations on the building are depreciated over the remaining useful lives of the original buildings.

1. Investment

Investments include fixed deposits & gratuity fund.

2. Other Financial Assets

The expenditure builds a net house cost for the material use in Institutional Nurseries has been categorized into useful lifetime and the relevant cost for the period has been brought forward as straggled cost. The balance Rs 7.3 Mn has been shown as at 31.12.2022.

3. Stocks & Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the First in First Out principle. Value of inventories includes expenditure incurred in acquiring, conversion costs and other costs incurred in bringing them to their existing location and condition.

The plant stock as at 31.12.2022 of Rs.30.2Mn has shown under inventories. The plant stock is valued on accumulated cost of production up to 31st December 2022

4. Trade Debtors & Receivables

Trade and other receivables are stated at their book values and provision had been made for doubtful receivables.

| Age of the Debt | Provision |
|-------------------------------|-----------|
| Less than one-year | Nil |
| More than one to two years | 10% |
| More than two to three years | 30% |
| More than three to five years | 50% |
| Over five years | 100% |

5. Other Receivables

Receivables other than Trade Debtors are also stated at their amounts.

6. Cash & Cash Equivalents

Cash & Cash equivalent includes cash in hand, Bank and Call Deposits. Cash balances as at 31.12.2022 are Rs 305.8 million.

7. Cash Flow

Cash Flow statement has been prepared using the indirect method.

8. Accounting for Funds Received

Funds have been remitted from the Treasury through the consolidated fund as follows.

| Description | Amount |
|-------------------------------|----------------|
| Total treasury funds received | 599,556,000.00 |
| Recurrent imprest | 443,556,000.00 |
| Capital imprest | 156,000,000 |

9. Liabilities

All material liabilities as at Balance Sheet date have been included in the accounts and adequate provision has been made for liabilities which are known to exist, Liabilities classified as current liabilities on the Balance sheet, are those which are due for payment on demand.

10. Provision for Gratuity

Every employee who has completed one year of service period will be provided for gratuity payments. Provision for the year is Rs.191.7 million.

11. Taxation

T.S.H.D.A. is exempt from income tax from being an institution funded by consolidated fund.

12. Contingent Liability

A contingent liability of approximately Rs.2.3 million exists in respect of L.T. & court cases.

13. Capital Grant

Funds received from 1981 to 2021 for IRDP, SHTDP, TDP, Other Projects and treasury grant had been amortized. Accordingly, Rs 31.8 million was accounted as deferred income and remaining balances have been brought forward to amortize for future years.

14. Government Grant

Government Grant (Institutional Capital) for the year 2022 as follows.

| | | | |
|---------------------------|--|--|-------------|
| Capital imprest | | | 156,000,000 |
| Institutional Capital | | | 46,348,712 |
| Total Development Capital | | | 109,651,288 |

15. Action plan for the year has been prepared align with the national requirements of tea.
16. Mobile Extension Unit & Media Unit has been Capitalized in year 2022 & indicated as a prior year adjustment in P & L
17. Over Provision raised through the allocation of Dolomite has been utilized to pay Development Subsidies to Tea Small Holders under the approval of Board of Directors
18. Official discussions have been made with the Land Reform Commission, Mahaweli Authority & “Janatha Wathu” Development Board to acquire the ownership of the lands which are bearing the Regional Offices & having the Bilateral Memorandum of Understanding to do the further development activities.
19. Capital Assets which were purchased through the Capital Grants of the Projects have been indicated as additions of the PPE schedule.
20. The legal case against the complaint of the employees who were recruited illegally under the categories of Temporarily basis, Casual basis & Daily basis is still being heard in court. Contingency allocation has not been made against this case due to the liability having not been identified quantitatively.

TEA SMALL HOLDING DEVELOPMENT AUTHORITY

STATEMENT OF CHANGES IN NET ASSET/EQUITY

FOR THE YEAR ENDED 31/12/2022

(Expressed in Sri Lanka Rupees)

| Description | Attributable to Owners of the Controlling Entity | | | | |
|---------------------------------------|--|--------------------|----------------------|----------------------------------|-------------------------|
| | Contributed Capital | Other Reserves | Revaluation Reserves | Accumulated Surpluses (Deficits) | Total Net Assets/Equity |
| Balance as at 01/01/2022 | 269,648,283 | 73,415,908 | 232,935,807 | 263,900,017 | 839,900,014 |
| Prior year adjustments | | | | 9,029,999 | |
| Stated Balance as @ 01/01/2022 | 269,648,283 | 73,415,908 | 232,935,807 | 272,930,016 | 839,900,014 |
| Surplus/(Deficit) for the year | | | | (283,198,552) | |
| Compost /Mechanization | | 97,927,635 | | | 97,927,635 |
| Gain on property revaluation | | | - | | - |
| Government Grant for the year | 46,348,712 | | | | 46,348,712 |
| Deferred Income for the year | (21,515,150) | (10,309,493) | | | (31,824,643) |
| Balance as at 31/12/2022 | 294,481,845 | 161,034,050 | 232,935,807 | (10,268,536) | 678,183,166 |

TEA SMALL HOLDING DEVELOPMENT AUTHORITY

NOTE NO. 01

CASH AND BANK BALANCES

| Description | Total |
|------------------------|----------------|
| Cash in Transit | 1,038,176.73 |
| Cash in Hand & at Bank | 131,570,939.02 |
| Deposits | 173,195,411.83 |
| Total | 305,804,527.58 |

NOTE NO. 02

Rs.

RECEIVABLES

| Description | Total |
|-----------------------------------|---------------|
| DEBTORS | |
| Staff Debtors | 88,318.60 |
| Staff Debtors-Tea | 63,198.18 |
| Staff Debtors | 1,157,272.79 |
| Colour Separator | 5,916,589.81 |
| Sundry Debtors | 1,926,941.57 |
| Tea Shakthi Fund - Fertilizer | 1,941,773.92 |
| T.R.I | 912,342.68 |
| N.I.P.M | 149,952.55 |
| T.S.H.S.- Fertilizer | 3,896,683.46 |
| - Sprayers | 348,348.40 |
| - Scales | 33,550.33 |
| Input Debtors VP Plants | 1,139,389.87 |
| Input Debtors Polythine | 2,756,855.44 |
| Input Debtors Shoots | 48,068.50 |
| Input Debtors Fertilizer/Basamid | 122,106.45 |
| Input Debtors- Nursery Material | 396,179.36 |
| Debtor plucking seciers/basket | 256,380.00 |
| Nursary Debtors (Pvt) | 997,417.96 |
| Debtor Fertilizer | 41,200.00 |
| Maknikdevela Tea Factory | 188,811.50 |
| Ministry of Media/Land | 665,316.20 |
| Compot Debtors | 268,280.00 |
| Internal Debtors -Regional Office | 946,080.03 |
| Sub Total | 24,261,057.60 |
| Description | Total |
| LOAN AND ADVANCES | |
| Distress Loan | 38,954,155.18 |
| Debt Relief Loan | 14,654.10 |
| Housing Loan | 43,116,495.52 |
| Motorcycle Loan | 1,362,737.46 |
| Motorcycle Loan TI | 743,641.44 |
| Re shedule vehicle Loan | 6,664,321.11 |
| Special Salary Advance | 925,575.00 |
| Festival Advance | 138,525.76 |

| | |
|------------------------------|------------------------|
| Sundry Advance | 306,487.57 |
| Salary Advance | 19,550.00 |
| T.R. I | 512,400.00 |
| Advance (ADB/IRD) | 136,854.26 |
| Deer Wood Tea Factory | 50,550.68 |
| Batalanda Tea Factory | 269,320.69 |
| Sub Total | 93,215,268.77 |
| DEPOSITS AND ADVANCES | |
| Fuel | 473,000.00 |
| Electricity | 1,755.00 |
| Telephone | 27,650.00 |
| Gas Cylinders | 12,100.00 |
| Sundry Advance | 60,822.78 |
| Sub Total | 575,327.78 |
| OTHER BALANCES | |
| Interest Receivable | 10,887,428.81 |
| STaRR Project | 1,160,179.45 |
| Death Society | 403,767.00 |
| Sundry Deductions | 842,834.88 |
| T.S.H.S. Dev. Fund | 53,425.54 |
| Dolomite Incentive. | 347,129.90 |
| Plucking Basket | 152,215.00 |
| Michanization project | 316,592.10 |
| Compost Project | 171,944.75 |
| Miscellaneous | 892,843.48 |
| Sub Total | 15,228,360.91 |
| Total | 133,280,015.06 |
| BAD DEBTS | |
| Provision for Bad Debts | (17,236,716.48) |
| Total | (17,236,716.48) |
| Grand Total | 116,043,298.58 |

NOTE NO 03 INVENTORIES

| Description | Total |
|---------------------------------------|---------------|
| Plants Stocks | 30,405,725.04 |
| Stationary | 10,085,887.24 |
| Sundry Stocks | 18,032,223.82 |
| Tea | 1,125,863.53 |
| Fertilizer | 106,690.00 |
| Basamid/Methum sodiam/glyfoset/copper | 479,682.20 |
| Zink Sulphate | 679,266.00 |
| Polythene | 2,650,237.10 |
| Compost | 134,025.00 |
| Nursery Equipment | 2,712,285.87 |
| Rural Development Project stock | 2,915,319.00 |
| Plucking Seizers/Basket/ Scales | 293,414.21 |
| Aid Package | 4,150,080.89 |
| Training Equipments | 8,128.00 |

| | |
|-----------------------------|-----------------------|
| Forks | 3,753,825.89 |
| Nursary 500 project stock | 7,907,550.48 |
| Michanization Project stock | 1,388,170.00 |
| Sprayers & Water Pumps | 19,680,532.07 |
| Good In Transist | 3,027,375.00 |
| Total | 109,536,281.34 |

NOTE NO. 04
PRE-PAYMENTS

| Description | Total |
|-------------------------|---------------------|
| Equip. Maintance | 21,260.40 |
| Insurance | 84,339.81 |
| Nursary | 242,129.40 |
| Postal Franking Machine | 77,133.09 |
| Pre-Payments | 754,736.19 |
| Total | 1,179,598.89 |

NOTE NO .05
NOTE NO. 06
INVESTMENTS

| Description | Total |
|--------------------------|----------------------|
| Fixed Deposit - Gratuity | 19,968,826.13 |
| Total | 19,968,826.13 |

NOTE NO. 07
OTHER FINANCIAL ASSETS

| Description | Total |
|----------------|---------------------|
| Staggered Cost | 7,331,796.22 |
| Total | 7,331,796.22 |

NOTE NO. 08
Property, Plant and Equipment -2022

| DESCRIPTION | COST AS AT | ADDITIONS | TRANSFER | (TRANSFER) | DISPOSAL | COST AS AT | DEPRECIATION | DEPRECIATION | TRANSFER | (TRANSFER) | DISPOSAL | ACCUMULATED | WRITTEN DOWN |
|-----------------------------------|-----------------------|-----------------------|----------------------|------------------------|-----------------------|-----------------------|-----------------------|----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01.01.2022 | FOR THE YEAR | | | | 31.12.2022 | AS AT 01.01.2022 | FOR THE YEAR | | | | DEPRECIATION | VALUE |
| Grand Summary | | | | | | | | | | | | | |
| Land | 73,907,078.57 | 234,150.00 | - | - | - | 74,141,228.57 | - | - | - | - | - | - | 74,141,228.57 |
| Buildings | 423,409,405.64 | 142,120,473.52 | 7,391,221.29 | (7,391,221.29) | (38,985.69) | 565,490,893.47 | 68,553,260.53 | 8,564,103.07 | - | - | - | 77,117,363.60 | 488,373,529.87 |
| Motor Vehicles | 108,703,338.47 | 198,615.00 | 40,450,000.00 | (40,450,000.00) | - | 108,901,953.47 | 25,875,322.54 | 19,939,924.03 | 3,540,000.00 | (3,540,000.00) | - | 45,815,246.57 | 63,086,706.90 |
| Project Motor Vehicle | 4,762,650.00 | - | - | - | (2,708,375.00) | 2,054,275.00 | 3,988,050.00 | 774,600.00 | - | - | (2,708,375.00) | 2,054,275.00 | - |
| Furniture Fittings & Office Equip | 54,757,037.59 | 8,026,413.75 | 112,100.00 | (112,100.00) | (53,514.00) | 62,729,937.34 | 19,470,492.76 | 6,219,877.10 | 42,037.50 | (42,037.50) | (46,107.75) | 25,644,262.11 | 37,085,675.23 |
| Computer | 43,695,235.31 | 2,772,400.00 | 183,535.00 | (183,535.00) | (135,955.00) | 46,331,680.31 | 23,626,967.11 | 7,917,733.65 | 15,994.10 | (15,994.10) | (134,755.00) | 31,409,945.76 | 14,921,734.55 |
| Trainig Equipment | 5,225,740.54 | 7,000.00 | - | - | (850.00) | 5,231,890.54 | 2,707,041.26 | 620,899.10 | - | - | (850.00) | 3,327,090.36 | 1,904,800.17 |
| Plant & Machinery | 29,889,718.80 | 7,271,413.20 | 25,410,675.00 | (25,410,675.00) | - | 37,161,132.00 | 1,715,137.04 | 12,507,311.39 | - | - | - | 14,222,448.43 | 22,938,683.57 |
| Road- Haliela | 514,666.82 | - | - | - | - | 514,666.82 | 218,098.32 | 10,293.34 | - | - | - | 228,391.65 | 286,275.16 |
| Other (Utility) | 1,244,669.00 | 49,305.00 | - | - | - | 1,293,974.00 | 944,879.62 | 198,364.79 | - | - | - | 1,143,244.41 | 150,729.59 |
| Sub Total | 746,109,540.74 | 160,679,770.47 | 73,547,531.29 | (73,547,531.29) | (2,937,679.69) | 903,851,631.52 | 147,099,249.17 | 56,753,106.47 | 3,598,031.60 | (3,598,031.60) | (2,890,087.75) | 200,962,267.89 | 702,889,363.61 |

NOTE NO. 09
PAYABLES -2022

(Rs.)

| Description | Total |
|----------------------------|---------------|
| CREDITORS | - |
| Sundry Creditors | 46,901,697.36 |
| Pvt Nursary Creditors | 997,417.96 |
| Creditor -fertilizer | 7,233,647.90 |
| Tea Shakthi Fertilizer | 1,273,876.73 |
| Dolomite company | 156,760.17 |
| Hantana Training center | 62,109.04 |
| Regional Office payable | 65,838.50 |
| Plant Creditors | 1,196,624.00 |
| Credior- Construction | 15,521,318.02 |
| Compost (Green force) | 2,007,330.04 |
| Sub Total | 75,416,619.72 |
| DEPOSITS PAYABLE | |
| Deposits for Fertilizer | 464,046.55 |
| Deposits for VP Plants | 1,427,114.18 |
| Tender Deposits | 2,782,637.19 |
| Nursary fund | 700,000.00 |
| Other Deposits | 527,070.51 |
| Sub Total | 5,900,868.43 |
| | |
| Description | Total |
| OTHER PROVISIONS | |
| Travelling & Subsistence | 122,150.00 |
| Contingency | 2,361,312.00 |
| Fuel | 2,671.00 |
| Telephone | 146,020.61 |
| Annual Trip | 25,000.00 |
| Motorcycle Maintain TI/EO | 39,000.00 |
| Holiday Payments & OT | 35,053.19 |
| Gliposet | 120,930.00 |
| Repair & Services | 39,940.00 |
| Samurdhi project | 150,000.00 |
| Uniforms | 907,000.00 |
| Medical | 484,390.00 |
| Stationary | 3,020,375.00 |
| Provision Of capital goods | 870,000.00 |
| Electricity & Water | 28,200.00 |

| | |
|-------------------------------------|----------------|
| Security | 252,725.00 |
| Mother Bush TRI 500 | 498,134.30 |
| Rtae & Tax | 41,640.00 |
| Extention | 17,000.00 |
| Sundry | 865,481.61 |
| Sub Total | 10,027,022.71 |
| PAYABLES | |
| Description | Total |
| OTHER BALANCES | |
| Retention Payable | 817,379.06 |
| Unclaimed Cheques | 4,940,427.28 |
| Unions | (11,927.00) |
| Fertilizer Insentive | 67,032.10 |
| Tea Shakthi | 101,300.00 |
| T.S. Welfare Insurance | 4,450,125.04 |
| Insurance deduction | 5,726.00 |
| STaRR Project | 223,689.97 |
| Divinaguma | 3,196,085.82 |
| Soil Canservation | 13,815,113.80 |
| Fertilizer | 7,050,545.83 |
| Society Uria project | 6,023,029.50 |
| IFAD Project | 65,601.90 |
| Flood Incentive | 9,605,310.50 |
| Glyposet | 4,639,412.14 |
| CO3 Multiflication Plots | 67,660.00 |
| Sahakampanaya Project | 5,750,050.00 |
| Tea Nursery 500 Project | 22,276,858.93 |
| Sprayers & Water Pumps | 15,897,665.56 |
| Compost Project | 8,182,486.23 |
| Special Projec for Compost Project | 13,951,025.15 |
| High Shade Special Project | 15,676,030.64 |
| Michanization Project | 3,387,301.83 |
| Improve Economic Viability Of TSH | 10,839,493.75 |
| Walahanduwa & Dehiowita B. cons | 5,034.40 |
| Special Project Direct Tea Planting | 65,774.71 |
| Subsidy Special Project | 103,176.00 |
| Samurdhi project | 13,016,752.28 |
| Jambo Plant | 4,000,000.00 |
| Society Vehicle Sale | 9,155,483.25 |
| Other | 907,311.92 |
| Sub Total | 178,270,956.59 |
| Total | 269,615,467.45 |

TEA SMALL HOLDINGS DEVELOPMENT AUTHORITY

NOTE NO. 10

ACCRUED EXPENDITURE -2022

| Description | Total |
|---------------------------------|---------------|
| Annual Trip | 69,000.00 |
| Building Cleaning / Maintenance | 137,580.00 |
| Compost project | 2,739,275.00 |
| Crop Rehabilitation | 28,847,931.00 |
| Demonstration Tea Filed | 140,360.00 |
| Electricity | 102,556.85 |
| EPF & ETF | 6,938,527.19 |
| Extension Program | 643,081.22 |
| Free Cup of Tea | 24,468.70 |
| Fuel | 891,064.00 |
| Holiday Payments | 141,354.58 |
| IPVPN bill | 77,862.00 |
| Lassana Tea Land Programe | 461,881.00 |
| Maintenance of Computer | 191,862.00 |
| Medical Care | 929,198.69 |
| Motorcycle Maintenance | 383,580.00 |
| New Planting Subsidy | 6,324,921.00 |
| News Paper | 29,510.00 |
| Nursary & Mother Bush | 313,975.00 |
| Loss Of Income | 5,657,486.41 |
| Office Equipment Maintenance | 50,550.00 |
| Overtime | 186,980.41 |
| Postage | 15,685.00 |
| Raincoat & Umbrella | 51,950.00 |
| Rates & Taxes | 309,117.00 |
| Re Planting Subsidy | 61,507,814.80 |
| Rent | 250,496.00 |
| Salaries / Wages | 1,669,251.97 |
| Security | 392,558.20 |
| Seminar & conference | 17,230.00 |
| Stamp Duty | 108,995.00 |
| Stationery | 120,275.00 |
| Sundry | 13,180.00 |
| Telephone | 213,610.18 |
| Training | 592,319.00 |
| Transport Charges | 61,537.73 |
| Travelling & Subsistence | 1,586,782.33 |
| TRI 5000 | 434,715.78 |

| | |
|---------------------|----------------|
| Uniforms & Boots | 94,900.00 |
| Union | 7,994.00 |
| Vehicle Maintenance | 385,855.00 |
| Water | 27,603.55 |
| Welfare | 44,000.00 |
| Total | 123,188,875.59 |

NOTE NO. 11**PROVISIONS -2022**

| Rs. | |
|-------------|----------------|
| Description | Total |
| Gratuity | 191,766,183.11 |
| | 191,766,183.11 |

NATIONAL AUDIT OFFICE

My No.: PAL/D/TSHDA/1/2022/07

Your No.:

Date: 23 June 2023

Chairman,

Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended on 31 December 2022 on financial statement and other Legal & Regulatory requirements, in accordance with Section 12 of the National Audit Act, No. 19 of 2018.

Herewith enclosed the above report.

Sgd. Illegibly

W. P. C Wickramrathne

Auditor General

Edition –

01. Secretary, Ministry of Plantation

02. Secretary, Ministry of Finance, Economic Stabilization & National Policies

NATIONAL AUDIT OFFICE

My No: PAL/D/TSHDA/1/2022/07

Your No.:

Date: 23 June 2023

Chairman,

Tea Small Holdings Development Authority

The Auditor General's Report of the Tea Small Holdings Development Authority for the year ended on 31 December 2022 on financial statement and other Legal & Regulatory requirements, in accordance with Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1. Qualified Opinion

The Financial Quality Statement of the Tea Small Holdings Development Authority for the year ended on 31 December 2022 and the Financial Performance Statement for the year then ended, Statement of change in claim & Cash Flow Statement for the year then ended and corresponding notes on financial statements, and a summary on significant accounting policies consisting of financial statements for the year ended on 31 December 2022, were audited under my direction in pursuance in accordance with the provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with the provisions of National Audit Act, No. 19 of 2018, Tea Small Holdings Development Act No. 35 of 1975 and Finance Act, No. 38 of 1971. In due course, my report will be presented to the Parliament in accordance with the Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis section for the statistical opinion in my report, the financial position of the Tea Small Holdings Development Authority as of 31 December 2022 and its financial performance & cash flow for the year then ended, are true and impartial in accordance with Sri Lanka Accounting Standards.

1.2. Basis for Qualified Opinion

- (a) In accordance with the financial statements, by the end of the year under review, even though the balance of the various inventory account was valued at 17,406,500 Rupees, as the balance of physical stock was valued at 14,091,696 Rupees, a discrepancy of 3,314,804 Rupees was observed and the corresponding adjustments had not been made by the Authority for the discrepancy that had been in existence for several years.
- (b) In accordance with the financial statements and the schedule, discrepancies in the compost stock and in the stock value of the 500 Nurseries Project in Galle Regional Office those which respectively observed were 260,940 Rupees and 1,876,168 Rupees, and the required adjustments had not been made by the Authority after inspecting explanations for the discrepancy.
- (c) As the value of fixed deposits and seven-day call deposits in Uva, Nuwara Eliya and Kaluthara Regional Offices were indicated with a deficit respectively as 3,550,000 Rupees, 4,807,420 Rupees and 1,616,380 Rupees, in the year under review, the value of current assets was reduced by 9,973,800 Rupees.
- (d) In the year under review, as the interest income of fixed deposits and seven-day deposits in Galle, Matara and Uva Regional Offices were indicated with a deficit respectively as 1,038,482 Rupees, 149,079 Rupees and 53,801 Rupees, and as the interest income of Rathnapura and Nuwara Eliya Regional Offices were indicated with an excess respectively as 697,933 Rupees and 195,626 Rupees, in financial statements, the total interest income was indicated with a deficit of 347,803 Rupees.
- (e) In the year under review, even though the interest income receivable was indicated in financial statements as 10,887,428 Rupees, as the interest income receivable in 03 Regional Offices was indicated with a deficit of 1,241,363 Rupees, and as the interest receivable in 02 Regional Offices was indicated with an excess of 5,400,547 Rupees, the total interest income receivable was increased by 4,159,184 Rupees.
- (f) Even though 17 office equipment items valued at 2,801,891 Rupees were distributed to the head office and other sections, in place of indicating those assets in the corresponding accounts, they had been entered into the various inventory account.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs) and my responsibility under these Auditing Standards has been further clarified in Auditor's Responsibility section of this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.3. Other Details included in the 2022 Annual Report of the Authority

The details received by me before the date of this audit report were included in the 2021 Annual Report of the Authority, but the financial statements and the related details those which are not included in my audit report, are represented by the term, other details. The Management holds the responsibility for these other details.

My opinions regarding the financial statements do not cover other details and I do not express any kind of certification or an opinion regarding that.

Concerning my responsibility regarding my audit on the financial statements is to read other details as identified above when they are available to be received and to examine whether they are not quantitatively compatible with the financial statements in accordance with my knowledge gained through auditing or other means.

Based on the other details I gathered and the duties I performed before the date of this audit report, if I conclude that the other details are quantitatively misrepresented, that point needs to be reported by me. I have nothing else to be reported regarding this.

1.4. The Responsibility of the Management and the Governing Parties for the Financial Statements

The Management is responsible for the preparation and impartial presentation of the financial statements in accordance with Sri Lanka Accounting Standards and such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In the preparation of financial statements, the Management is responsible for determining the Authority's capability of continuity, and on the basis of continuity, accounting and disclosing of matters related to the Authority's continuity as applicable except the management either intends to liquidate the Authority or to terminate operations when no alternative exists.

The Governing Parties are responsible for overseeing the Authority's financial reporting process.

In accordance with the Sub Section 16 (1) of the National Audit Act, No. 19 of 2018, it is required for the Authority to accurately maintain books and reports on its own revenues, expenses, assets, and liabilities in a way it enables the preparation of the Authority's annual and periodic financial statements.

1.5. Auditor's Responsibility on the Audit of Financial Statements

My intent is to deliver an impartial assurance on whether the financial statements, all in all, are free from material misstatement caused by fraud or error, and to issue the audit report that includes my opinion. Even though, the impartial assurance is an advanced assurance; when the audit is performed in accordance with Sri Lanka Auditing Standards, it could not assure that it constantly detects material misstatements. Given that material misstatements can be caused by individual or collective impact on frauds and errors, its material status depends on the impact on economic decisions taken by the users based on these financial statements.

The audit has been conducted by me, considering Professional Judgment and Professional Skepticism as a section of the audit due in accordance with Sri Lanka Auditing Standards. Furthermore,

- In procuring a basis for the published audit opinion, opportunistic appropriate audit procedures were scheduled and implemented to identify and to verify the risks of faulty material misstatements in financial statements caused due to fraud or error. The impact of a fraud is more advanced than an impact of faulty material misstatements caused by misrepresentation, as a fraud may result from collusion, forgery, intentional omissions, misrepresentations or from disregarding internal control.
- Even though it is not for the intention of stating an opinion on the efficacy of the internal control, an understanding on the internal control of the Authority over the preparation of opportunistic appropriate audit procedures has been taken.
- The compatibility of accounting policies applied, the impartiality of accounting estimates, and the associated revelations performed by the management were evaluated.
- Based on the audit evidence gathered from examining whether a material uncertainty caused by incidents or conditions, occurs on the Institute's continuity; the relevance of applying the basis of the Authority's continuity on accounting was determined. If I conclude that a material uncertainty exists, it is expected to focus on the associated revelations in financial statements, and, if those revelations are inadequate, my opinion should be revised. However, the continuity could be discontinued due to upcoming incidents or conditions.
- The associated transactions & incidents based for the structure & the content of the financial statements that had been appropriately & impartially included in financial statements and the overall presentation of financial statements with disclosures were evaluated.

I would inform the governing parties about the significant audit findings, principal deficiencies in internal control and other matters identified during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1. The National Audit Act, No. 19 of 2018 contains specific Provisions for the requirements mentioned below.

2.1.1. In accordance with the requirements mention in Section 12 (a) of the National Audit Act, No. 19 of 2018; with exception of the impact of matters described in the basis section for the qualified opinion of my report, all the details & explanations needed for the audit were gathered by myself, and as far as it appears from my observation, the Authority had maintained appropriate financial reports.

2.1.2. In accordance with the requirement mention in Section 06 (1) (d) (III) of the National Audit Act, No. 19 of 2018, the financial statements of the Authority are compatible with the previous year.

2.1.3. In accordance with the requirement mention in Section 06 (1) (d) (IV) of the National Audit Act, No. 19 of 2018, with exception of the observations mentioned in “a” of the Basis for the Qualified Opinion section of this report, the recommendations I presented in the previous year are included in the submitted financial statements.

2.2. Being limited to quantitative matters based on the procedures followed and on evidence gathered, it did not appear to be needed to express the following statements.

2.2.1. In accordance with the requirement mention in Section 12 (d) of the National Audit Act, No. 19 of 2018; stating that any member of the management board of the Authority has direct or indirect connection with a contract that the Authority is related & gone beyond the usual business circumstances.

2.2.2. In accordance with the requirement mention in Section 12 (f) of the National Audit Act, No. 19 of 2018; stating that with exception of the following observations, the Authority has not complied with any written law, or other general or specific directives issued by the Management Board of the Authority.

| Reference to Rules/Directives | Observations |
|---|---|
| (a) Article 12.3 in Paragraph VII of the Establishment Code of the Government of the Democratic Socialist Republic of Sri Lanka. | Even though, the amount that should be paid for a permanent position holder if he has been appointed to perform duties is 2/3 from the additional remuneration, he receives by being appointed to act in the same position, contrary to that, a grant of 1/4 from the initial salary had been paid to three officers as grants for performing duties in 03 positions; in accordance with the decision provided by the Board of Directors stating that the grant overpaid should be recovered monthly, though the amount overpaid was charged in installments only from two officers, the excessive amount of 84,189 Rupees received by the General Manager (Services) for performing duties of the position of the Human Resources Manager from March 08, 2021 to September 30, 2022, had not been recovered. |
| (b) No. B/3/4/IV (i) of the Authority's General Manager and the Instructions Sheet corresponding to the amount of rental of sub-offices and Tea Inspection/Extension Office dated September 30, 2018. | Even though the monthly rental payable for Regional Development Officer offices was 5000 Rupees, for the year 2022, the Authority had paid 180,000 Rupees as 15,000 Rupees per month to Deraniyagala Regional Council as the office rental for Deraniyagala Regional Office. Accordingly, contrary to the Circular, an excessive amount of 120,000 Rupees had been paid. |

2.2.3. In accordance with the requirement mention in Section 12 (g) of the National Audit Act, No. 19 of 2018; stating that the Authority had not performed accordingly with the powers, duties, and functions of the Authority.

2.2.4. In accordance with the requirement mention in Section 12 (h) of the National Audit Act, No. 19 of 2018; the resources of the Authority had not been procured & utilized in frugality, efficiently and productively in compliance with the related rules, within time periods.

- (a) As the Procurement Committee related to purchasing machinery had taken the decision to directly purchase 73 hole digging machines from Sri Lanka State Trading Corporation for the “Mechanized Employee Training Program” after the expiration of the bidding period of one month of the price quotation received from that Corporation, the Authority was unable to purchase the equipment at those prices. Accordingly, due to having purchased those machinery from a private company for 23,008 Rupees higher than the price agreed, and due to not performing in accordance with the Article 8.7.1 (b) of the Procurement Guide, the Authority had faced with a loss of 1,679,584 Rupees.

2.3 Other Information

- (a) Even though, the Director General of the Department of Rubber Development had notified the General Manager of the Authority in writing in August 02, 2022 that the consent would be given only to construct the office building as Kegalle Regional Office building was built on a land owned by the Department of Rubber Development spending 44,484,405 Rupees by the Authority, and it is not possible to claim on the ownership of the land; such Memorandum of Understanding had not been prepared or signed even up to March 01, 2023.
- (b) Under the “Special Project of 25 million Tea Plants” commenced in November 2022 from the financial provisions of 250 million Rupees of Sri Lanka Tea Board, the second installment had not been paid as 254 nurserymen on whom the permits were issued by Regional Offices in the years 2020 and 2021 had not yet completed 75% of constructing nursery houses. Even though these beneficiaries were provided with funds for financial and operational materials valued at 24,711,304 Rupees, due to not recovering the funds given to the nurserymen those who have not yet started cultivation, due to not taking required reports by Regional Offices and Tea Inspectors on the performance of the project from the field, and due to not distributing project money and equipment valued at 22,276,855 Rupees even by the end of the year under review, it was examined in the audit that the Authority had not paid a sufficient consideration on the progress of the project.
- (c) From the loan given to tea small holdings societies to obtain fertilizer, sprayers and scales under the fertilizer loan scheme in the year 1998, no effective step had been taken to charge the loan balance of 4,278,581 Rupees receivable at the end of the year under review even though 24 years had passed and that had been accounted under current assets.
- (d) The amount of 13,815,113 Rupees left from the amount of 9,155,483 Rupees received from selling 23 vehicles provided to tea small holdings development societies in the year 1998 and from the subsidy

allowance given for soil conservation in the regions of the regional Offices in Nuwara Eliya and Rathnapura in the year 2020 had been accounted under current liabilities as “payable” without using it on any productive activity or taking actions to remit it to the treasury by the Authority for a period of 2 to 24 years.

- (e) The amount of 5,916,589 Rupees given as loans to four private factories through the program of the distribution of color separators to the tea factories in the year 1998 had not been recovered even by the end of the year 2022. Legal actions regarding this were taken only on the amount of 2,436,449 Rupees receivable from the factory in Iriyagolla and due to deficiencies in the agreement of the two factories, it was unable to take corresponding legal action.
- (f) Even though, it was revealed in the last year’s audit report on the incorrect marking done by the interview board on 04 Regional Manager positions appointed by the Authority on August 09, 2021, and on offering appointments even before receiving the decision of the Board of Directors and the approval of the Secretary to the Ministry, no action was taken by the Authority regarding that.
- (g) In the year under review, even though the approved number of Zonal Tea Development Officers was 26, as actual number of officers on duty are 14, it was unable to make the subsidy program of the Authority successful due to not taking actions to fill out the vacancies of these officers who have linear relationships with tea farmers and societies.
- (h) Even though, in the year 2021, using direct contract basis, 08 compost material rending machines had been purchased for 2,300,000 Rupees from the Commercial (Miscellaneous) Statutory Corporation of the government of Sri Lanka targeted at a production of 40 Metric Tons of compost fertilizer, each month having 05 Metrics Tons from the 08 Regional Offices through the Compost Production Project commenced in the year 2021, due to the inadequate capacity on the requirement of these machines, only a stock of 37 Metric Tons was produced up until the end of the year under review, and no production was done in the year 2023.
- (i) In terms of Article 8.9.3 (b) of the 2006 Procurement Guide, without having a formal agreement, it was agreed upon purchasing 13,000 Metric tons of dolomite for 101 million Rupees from Sri Lanka Sate Engineering Corporation under the provisions of 2021 Budget of the Authority, and by the end of the year 2022, only 533 Metric tons of dolomite valued at 2,132,000 Rupees was provided and the value of dolomite for that was 2 million Rupees and the cost of transportation was 2 million Rupees; due to the non-supply of 96% of the agreed quantity of dolomite and due to the delay in supply, the Board of Directors had decided in December 21, 2022 to utilize the total amount of 97 million Rupees allocated to this project for the “Payment of other subsidies and institutional capital activities” even without the approval of the Treasury. As the project was commenced by the Authority without bearing

the initial cost and without coming to formal agreements, the project was unsuccessful since the purpose of commencing the project could not be fulfilled. Moreover, the audit was not provided with sufficient details to identify the cost of the “Payment of other subsidies and institutional capital activities”.

- (j) Even though, it was requested to present the documents on the corresponding appointment for the position of the General Manager of the Authority and the personal documents of the corresponding officer for the audit respectively in two instances, in January 10 and March 07, 2023, the corresponding documents had not been presented up until May 31, 2023.
- (k) In terms of the approval of the Department of Management Services dated April 22, 2010, currently, the position of Assistant General Manager (Services) of the Authority was approved to be personal to the position holder, and accordingly, even though it was required to not to perform new recruitments for this position, the Authority had appointed an officer in August 02, 2010 after calling for applications for the position of Assistant General Manager (Services) and having the interview in July 06, 2010.

Sgd. Illegibly

W. P. C Wickramrathne

Auditor General