

SRI LANKA'S NATIONAL PLANTATION POLICY 2025-2030 (DRAFT)

Through the opportunity provided by Comrade Chandragupta, we have successfully brought attention to the smallholder sector. Please use this as a foundational document to refine and finalize the policy. Should you need any further clarification, do not hesitate to reach out to me. We strongly advocate for the acceleration of the Oil Palm project, as it presents an opportunity to empower approximately 3,000 smallholder farmers ready to take the lead. The country is facing significant economic challenges, and a viable solution lies in doubling the GDP to steer us towards stability and growth.

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Sri Lanka's National Plantation Policy 2025-2030

Introduction

Sri Lanka's plantation sector, comprising tea, rubber, coconut, spices, and oil palm, has long been a vital contributor to the nation's economy. Plantation agriculture constitutes approximately 11.3% of the country's total land area. Historically, the sector has accounted for approximately 3-4% of the country's GDP, with significant exports and employment opportunities. The population residing in Sri Lanka's plantation sector, including both Regional Plantation Company (RPC) estates and smallholder lands, is estimated to be approximately 1.5 million people. The majority of this population lives in estates located in the Central, Uva, and Sabaragamuwa Provinces, with the RPC-managed estates housing a significant portion. The demographic breakdown of Sri Lanka's plantation community for smallholders and RPC estates includes current employees, retirees, and children. Here is a summarized overview based on available data: Total plantation workforce is approximately 450,000. Gender distribution is roughly equal, with men and women each constituting about 50%. Workers are primarily field laborers, with a smaller percentage in administrative roles (staff and executives) Retirees: The plantation sector has seen a significant number of retirees due to the aging workforce, with an estimated 250,000 retired workers living in plantation communities. Many depend on minimal pensions or family support School-age children: Approximately 200,000 children in plantation areas are in primary or secondary education. However, education access remains a challenge, with limited school facilities and a significant dropout rate. Children under 5 years old: Estimated to be around 80,000 in plantation communities, with only about 10,000 to 15,000 attending crèches or pre-schools.

However, for sustainable economic growth and the welfare of plantation communities, there is a need to transform this sector into a high-yield, sustainable industry that contributes more substantially to the nation's GDP and overall economic resilience. This document outlines the strategic framework for the National Plantation Policy 2025-2030, focusing on enhancing productivity, integrating smallholders, adopting sustainable practices, and improving workforce welfare. This policy draws from verified data and best practices globally.

Policy Goals and Objectives:

Increase GDP Contribution: Aim to elevate the plantation sector's share of Sri Lanka's GDP to 8-10% by 2030.

Enhance Revenue Generation: Target an annual revenue of \$5 billion from the plantation sector through diversification and value addition.

Promote Sustainability: Integrate environmentally friendly practices to protect biodiversity, reduce carbon emissions, and ensure long-term land productivity.

Empower the Workforce: Improve the living standards of plantation workers, with increased wages, better working conditions, and access to training and education.

Diversify Export Markets: Expand the reach of plantation products to new international markets to stabilize export revenue.

Strategic Pillars and Actions

1. Modernization and Technological Integration

Action Plan: Implement precision farming technologies, automated machinery, and IoT (Internet of Things) sensors to monitor soil health, weather patterns, and crop yields.

Rationale: Modern technologies have proven effective in boosting productivity. For example, the integration of sensors and automated systems in Malaysian oil palm plantations has significantly increased yield per hectare. The same technologies can help Sri Lankan plantations optimize resource usage and enhance production efficiency.

Plan B: Pilot programs can be initiated in select RPC estates and smallholder cooperatives to test technology adoption. If full-scale implementation is not feasible, the government can subsidize initial costs to encourage adoption.

Expected Outcome: Improved crop yields, more efficient resource management, and reduced operational costs.

2. Strengthening Value Chain Management (VCM)

Action Plan: Develop a VCM framework that involves the entire process from production to export. This should include quality control, post-harvest processing, packaging, and direct marketing strategies.

Rationale: Value chain management allows for a higher profit margin by reducing dependency on intermediaries and capturing more revenue locally. For instance, countries such as Vietnam and Colombia have improved their agricultural economies by incorporating value chains that process raw materials locally before export.

Plan B: If VCM implementation is hindered by resource constraints, partnerships with international NGOs and private sector investors can be explored to establish processing facilities and market linkages.

Expected Outcome: Increased revenue per hectare, job creation in processing and logistics sectors, and strengthened global competitiveness.

3. Expanding Export Markets

Action Plan: Create a national task force focused on developing trade agreements with emerging markets in Asia-Pacific, the Middle East, and Europe, where demand for high-quality plantation products is increasing.

Rationale: Diversifying export markets reduces the risks associated with dependency on a few trading partners. Countries like India and Kenya have expanded their agricultural exports by targeting new markets and enhancing their trade agreements.

Plan B: If securing new trade agreements is slow, strengthen existing partnerships and promote a "Ceylon Quality" branding campaign to reinforce the image of premium Sri Lankan plantation products.

Expected Outcome: Enhanced market reach, stable foreign exchange earnings, and reduced exposure to economic fluctuations in primary export markets.

4. Integration of Smallholders

Action Plan: Form cooperative societies and joint ventures between RPCs and smallholders to facilitate access to better technology, training, and collective marketing opportunities.

Rationale: Smallholders account for approximately 60-70% of the plantation workforce. By integrating them into a formal value chain, the sector can achieve better production efficiencies and ensure equitable profit distribution. This integration has been successful in Thailand, where smallholder farmers benefit from support programs and cooperative structures.

Plan B: If partnerships are difficult to establish, initiate support programs that provide training and financial incentives to smallholders for adopting better agricultural practices and improving yields.

Expected Outcome: Enhanced productivity and profitability, reduced poverty in plantation communities, and increased equitable growth within the sector.

5. Capacity Building and Workforce Development

Action Plan: Establish specialized training academies focused on modern agricultural techniques, sustainable practices, and value chain management for plantation workers.

Rationale: Training and education are critical for adopting modern practices and improving productivity. For instance, Kenya's agricultural training programs have boosted smallholder productivity by 20-30%.

Plan B: If funding is limited, develop online courses and subsidized workshops to reach a wider audience without the costs associated with establishing physical training centers.

Expected Outcome: A skilled and knowledgeable workforce capable of adopting new technologies, increasing productivity, and contributing to overall sector growth.

6. Sustainability and Environmental Protection

Action Plan: Enforce environmental regulations that minimize the use of pesticides and chemicals, promote organic farming practices, and implement afforestation projects.

Rationale: Sustainable agricultural practices help maintain soil health, reduce water usage, and preserve biodiversity. The global push toward sustainability, supported by the UN and environmental organizations, has shown that eco-friendly farming ensures long-term productivity and resilience.

Plan B: Introduce phased regulations where farms meeting specific environmental criteria receive incentives. Provide grants or subsidies to encourage eco-friendly transitions.

Expected Outcome: Reduced carbon emissions, preserved ecosystems, and sustainable land use that maintains productivity over the long term.

Implementation and Monitoring

Institutional Framework

Establish a Plantation Development Authority (PDA) under the Ministry of Plantations to oversee policy execution and monitor progress.

Formulate a National Plantation Task Force to coordinate with industry stakeholders, non-governmental organizations, and the private sector.

Progress Assessment

Develop an Annual Progress Review system that uses performance metrics such as revenue growth, employment statistics, and environmental impact indicators.

Utilize data analytics to track crop yields, export volumes, and workforce welfare.

Expected Benefits by 2030

Economic Growth

GDP Contribution: The plantation sector's share of GDP is projected to rise to 8-10%, contributing approximately \$4-\$6 billion annually.

Job Creation: An expanded sector could lead to job creation in both traditional agricultural roles and new industries such as processing, logistics, and export management.

Improved Workforce Welfare

Wages and Living Standards: Higher productivity and revenue will allow for wage increases, contributing to improved living conditions in plantation communities.

Education and Training: Workers will gain access to training and educational programs, leading to career progression and reduced poverty levels.

Sustainability and Environmental Impact

Resilience to Climate Change: Sustainable farming practices will make the sector more resilient to climate fluctuations.

Environmental Benefits: Reduced carbon emissions and improved land use will support national and international environmental goals.

Conclusion

The National Plantation Policy 2025-2030 aims to modernize and transform Sri Lanka's plantation sector by integrating technology, promoting sustainable practices, and fostering partnerships between smallholders and RPCs. This strategy will not only enhance productivity and export potential but will also create a fairer and more prosperous environment for workers. The policy's comprehensive approach will ensure the sector becomes a major economic driver by 2030, benefiting the broader economy, workers, and the environment.

Sri Lanka's National Plantation Policy Regulation 2025-2030

Introduction

This regulation supports the strategic objectives outlined in the National Plantation Policy 2025-2030 and establishes the legal framework to ensure the effective implementation of measures aimed at enhancing the plantation sector's contribution to Sri Lanka's economic growth. The regulation details the standards, rules, and enforcement mechanisms necessary to achieve policy goals related to productivity, sustainability, workforce welfare, and economic resilience.

1. Scope and Objectives

The regulation covers the entire plantation sector, including Regional Plantation Companies (RPCs) and smallholder farmers, involved in tea, rubber, coconut, spices, and oil palm production. The primary objectives include:

- Elevating the plantation sector's contribution to GDP to 8-10% by 2030.
- Promoting modern farming practices and technologies.
- Integrating smallholders into formal supply chains.
- Ensuring sustainable and environmentally friendly practices.
- Enhancing workforce welfare through training and better living conditions.

2. Institutional Framework and Responsibilities

- **Plantation Development Authority (PDA):** Established under the Ministry of Plantations, the PDA will oversee the regulation's execution and serve as the primary body for policy enforcement, compliance monitoring, and coordination.
- **Plantation Task Force:** Composed of government representatives, industry stakeholders, NGOs, and experts, this body will assist in developing industry guidelines, providing oversight, and facilitating multi-stakeholder dialogues.
- **Ministry of Agriculture:** To ensure coherence with national agricultural policies, the Ministry of Agriculture will collaborate with the PDA in developing regulations that align with broader agricultural goals.

3. Compliance and Standards

A. Crop Production and Modernization

- **Technology Adoption:** RPCs and smallholders must implement precision agriculture technologies, IoT systems, and automated machinery for soil and crop monitoring. Subsidies will be provided to facilitate technology adoption.

- **Quality Control Standards:** All crops produced must adhere to quality standards as set by the National Standards Institution (NSI), with periodic inspections conducted by the PDA.

B. Sustainability Practices

- **Pesticide and Chemical Usage:** Regulations will limit pesticide and chemical use, promoting organic and eco-friendly farming techniques. Farms that meet sustainable farming certification will receive tax benefits.
- **Reforestation Mandate:** Estates must maintain a certain percentage of their land for afforestation and biodiversity conservation to support ecosystem health and combat deforestation.
- **Water Management:** A comprehensive water conservation policy will be enforced, requiring all plantations to adopt water-saving irrigation methods and reuse water where feasible.

C. Workforce Welfare

- **Labor Rights and Conditions:** Ensure compliance with national labor laws and international labor standards. Implement living wage standards that align with cost-of-living adjustments and inflation rates.
- **Education and Training Programs:** Regulation mandates that RPCs and cooperatives develop training modules in modern agricultural techniques, sustainable practices, and value chain management. A minimum annual number of training hours per worker will be stipulated.
- **Health and Safety Regulations:** Establish safety protocols that must be adhered to, with regular health and safety audits.

4. Financial and Economic Incentives

A. Value Chain Management (VCM)

- **Direct Sales Initiatives:** Encourage RPCs and smallholders to form cooperatives for direct sales and marketing. Provide grants and soft loans for cooperative development and product branding.
- **Post-Harvest Processing:** Subsidize investments in processing facilities to add value to raw crops. Regulations will set minimum operational efficiency standards for processing plants.
- **Export Requirements:** Establish export quality benchmarks, including packaging and traceability, to facilitate the export of high-quality, certified plantation products.

B. Funding and Investment Policies

- **Public-Private Partnerships (PPP):** Implement regulations to foster PPPs, supporting collaborative ventures between the public sector and private investors.
- **Financial Aid for Smallholders:** Set up a funding mechanism to assist smallholders in adopting modern agricultural practices. Interest-free loans and grants for technology acquisition will be provided.

5. Monitoring and Reporting

A. Data Collection and Analysis

- **Annual Reports:** The PDA must compile an annual report detailing sector performance, compliance with standards, and progress toward policy objectives. The report will be reviewed and made publicly accessible for transparency.
- **Real-time Monitoring Systems:** Implement digital platforms that allow stakeholders to report and monitor real-time data related to production levels, workforce conditions, and environmental impact.

B. Auditing and Compliance Checks

- **Periodic Audits:** The PDA will conduct quarterly audits of RPCs and smallholders to ensure compliance with environmental and labor regulations.
- **Non-Compliance Penalties:** Establish clear penalties for non-compliance, including fines, temporary production halts, and revocation of tax benefits.

6. Strategic Initiatives

A. Partnership with Universities and Research Institutions

- **Joint Research Programs:** Collaborate with agricultural research institutions and universities to promote sustainable practices, improve crop varieties, and enhance soil health.
- **Training for Extension Workers:** Develop specialized training programs for extension workers who will be responsible for educating farmers on new practices and technology.

B. Global Trade Integration

- **Market Access Agreements:** Work with the Ministry of Trade to ensure that plantation products meet international trade standards and integrate Sri Lankan products into new and emerging markets.

7. Plan B: Contingency Measures

- **Adaptation Programs:** If full adoption of technology is delayed, introduce subsidized training and pilot projects to ease the transition.

- **Emergency Financial Support:** Establish a fund to support plantation workers and smallholders affected by climate events or economic disruptions.

Expected Benefits by 2030

Economic Growth

- **Increased GDP Contribution:** The regulation will help the plantation sector achieve its target of contributing 8-10% of Sri Lanka's GDP, with an expected annual revenue of \$4-\$6 billion.
- **Job Creation:** A robust plantation sector will result in job creation not only in farming but also in processing, logistics, and support services.

Improved Workforce Welfare

- **Higher Living Standards:** The policy will raise wages and improve working conditions, leading to enhanced quality of life.
- **Access to Education:** Improved access to educational and training programs will empower the workforce, reducing poverty and enabling career growth.

Sustainability and Environmental Impact

- **Eco-friendly Farming:** Reduced pesticide use and increased afforestation will contribute to a healthier ecosystem and improved biodiversity.
- **Climate Resilience:** Sustainable practices will make the sector more resilient to climate-related challenges, ensuring long-term productivity.

Conclusion

The National Plantation Policy Regulation 2025-2030 aims to create a comprehensive, enforceable structure that supports Sri Lanka's strategic vision for the plantation sector. Through a blend of modern agricultural practices, value chain enhancement, and sustainable growth initiatives, the regulation will contribute to the economic prosperity of the nation, uplift plantation workers, and maintain environmental balance. By adhering to these regulations, Sri Lanka's plantation sector is poised to become a significant economic driver, boosting national growth and resilience.

Key Performance Indicators and formulas:

To effectively monitor and evaluate the progress of the **Sri Lanka Plantation Policy 2025-2030**, it's crucial to establish clear and actionable Key Performance Indicators (KPIs) across all its strategic areas. Below are suggested KPIs for various aspects of the policy, along with formulas for their measurement:

1. Economic Growth and Productivity Enhancement

- **KPI 1: Sectoral Contribution to GDP**

- **Formula: Sectoral GDP Contribution =**
$$\frac{\text{Value of Plantation Sector Output}}{\text{Total National GDP}} \times 100$$

- **Target:** Increase from the current baseline to 8-10% by 2030.

- **KPI 2: Revenue per Hectare**

- **Formula:**

- **Formula: Revenue per Hectare =**
$$\frac{\text{Total Revenue from Plantation Production}}{\text{Total Hectares Under Plantation}}$$

- **Target:** Increase annual revenue per hectare to boost overall economic output.

- **KPI 3: Productivity Increase (Yield per Hectare)**

- **Formula:**

- **Formula: Yield per Hectare =**
$$\frac{\text{Total Quantity of Crop Produced}}{\text{Total Hectares of Land Used}}$$

- **Target:** Achieve a consistent 3-5% increase in annual yield through technology adoption and sustainable farming practices.

2. Sustainability and Environmental Impact

- **KPI 4: Percentage of Land Allocated for Reforestation**

- **Formula:**

- **Formula: Reforestation Percentage =**
$$\frac{\text{Area of Land Used for Reforestation}}{\text{Total Plantation Area}} \times 100$$

- **Target:** Ensure at least 5-10% of plantation land is dedicated to reforestation efforts annually.
- **KPI 5: Reduction in Pesticide Use (Chemical Footprint)**
 - **Formula:**

$$\text{Formula: Pesticide Reduction} = \frac{\text{Quantity of Pesticides Used in Year}}{\text{Quantity Used in Baseline Year}} \times 100$$

- **Target:** Decrease pesticide use by 20-30% within 5 years through the adoption of eco-friendly farming techniques.
- **KPI 6: Carbon Footprint per Hectare**

- **Formula:**

$$\text{Formula: Carbon Footprint per Hectare} = \frac{\text{Total Greenhouse Gas Emissions from Plantation Operations}}{\text{Total Hectares of Plantation}}$$

- **Target:** Implement carbon reduction initiatives to lower emissions per hectare by 15% by 2030.

3. Workforce Welfare and Development

- **KPI 7: Average Living Wage Compliance**

- **Formula:**

$$\text{Formula: Living Wage Compliance} = \frac{\text{Number of Workers Earning Above Living Wage}}{\text{Total Number of Workers}} \times 100$$

- **Target:** Achieve 100% compliance with living wage standards by 2030.

- **KPI 8: Worker Training Hours per Year**

- **Formula:**

$$\text{Training Hours per Worker} = \frac{\text{Total Annual Training Hours}}{\text{Total Number of Workers}}$$

- **Target:** Provide a minimum of 20 hours of training per worker annually to enhance skills in modern agricultural practices.

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- **KPI 9: Health and Safety Incidents Rate**

- **Formula:**

$$\text{Formula: Incident Rate} = \frac{\text{Number of Health and Safety Incidents}}{\text{Total Number of Workers}} \times 100$$

- **Target:** Reduce health and safety incidents by 50% over 5 years through enhanced safety protocols and training.

4. Value Chain Development and Market Access

- **KPI 10: Increase in Direct Sales and Cooperatives**

- **Formula:**

$$\text{Formula: Percentage of Sales through Cooperatives} = \frac{\text{Total Sales through Cooperatives}}{\text{Total Sales}} \times 100$$

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- **Target:** Reach 25-30% of total plantation sales through cooperative structures by 2030.

- **KPI 11: Export Quality Certification Rate**

- **Formula:**

$$\text{Formula: Export Certification Rate} = \frac{\text{Number of Certified Export Products}}{\text{Total Number of Products Exported}} \times 100$$

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- **Target:** Ensure at least 80% of products meet international quality certifications for export.

5. Technology and Innovation Adoption

- **KPI 12: Percentage of Farms Using Precision Agriculture**

- **Formula:**

$$\text{Formula: Precision Agriculture Adoption Rate} = \frac{\text{Number of Farms Using Precision Agriculture}}{\text{Total Number of Farms}} \times 100$$

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- **Target:** Achieve 50% adoption of precision farming techniques by 2030.

- **KPI 13: Digital Platform Engagement Rate**

- **Formula:**

$$\text{Formula: Digital Engagement Rate} = \frac{\text{Number of Active Users on Monitoring Platforms}}{\text{Total Number of Plantation Stakeholders}} \times 100$$

- **Target:** Ensure a 70% engagement rate on digital platforms for monitoring and reporting purposes.

6. Financial and Investment Growth

- **KPI 14: Investment in Infrastructure and Modernization**

- **Formula:**

$$\text{Formula: Investment per Hectare} = \frac{\text{Total Investment in Infrastructure and Modernization}}{\text{Total Hectares of Plantation}}$$

- **Target:** Increase investment by 20-30% per hectare within 5 years.

- **KPI 15: Return on Investment (ROI) for Sustainability Programs**

- **Formula:**

$$\text{Formula: ROI} = \frac{\text{Net Profit from Sustainability Initiatives}}{\text{Total Cost of Initiatives}} \times 100$$

- **Target:** Achieve a positive ROI from sustainability investments within 3-5 years.

7. Monitoring and Compliance Effectiveness

- **KPI 16: Audit Compliance Rate**

- **Formula:**

$$\text{Formula: Audit Compliance Rate} = \frac{\text{Number of Estates Compliant with Regulations}}{\text{Total Number of Estates Audited}} \times 100$$

- **Target:** Maintain a compliance rate above 95% annually.

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- **KPI 17: Timeliness of Reporting**

- **Formula:**

$$\text{Formula: Reporting Timeliness} = \frac{\text{Number of Reports Submitted on Time}}{\text{Total Number of Reports Due}} \times 100$$

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- **Target:** Ensure that all regulatory reports are submitted on time with a rate above 98%.

These KPIs, paired with clear formulas, will allow stakeholders in the Sri Lankan plantation industry to measure progress, identify areas for improvement, and achieve the desired outcomes set by the **National Plantation Policy 2025-2030**. Implementing these metrics will require a combination of digital tools, stakeholder collaboration, and continuous monitoring.

A Note:

The Secretary, Ministry of Plantation Industries:

Dear Comrade:

This marks a significant milestone in the history of Sri Lankan plantations, as it is the first time a draft policy, associated regulations, and KPIs have been developed with the exclusive focus of driving results. To understand the current state of the sector—encompassing both Regional Plantation Companies (RPCs) and smallholders—I sourced data and insights from various online platforms. Without the dedicated support of Vivonta Green Tech Consultants (www.vivonta.lk), submitting this document within just 14 hours would not have been possible.

I encourage you to use this document as a basis for brainstorming sessions to assess whether my efforts meet the expected standard. As previously suggested, the sector would greatly benefit from a real-time digital information platform. While former Secretary Mr. Dharmakirithie made commendable efforts toward this goal, time constraints prevented its completion. Additionally, we are still lacking a comprehensive Agriculture Policy and the Plantation Act (a placeholder document was provided to the legal officer some time ago).

I appreciate the opportunity given and would like to extend my gratitude to every member of Vivonta. They all deserve a note of thanks for their invaluable contributions.

4th December 2024



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