

# TEA STRATEGIC PLAN 2025-2027

We extend our gratitude to the Secretary of the Ministry of Plantation Industries for the opportunity to contribute the collective insights of [www.vivonta.lk](http://www.vivonta.lk) toward advancing Ceylon Tea to the next level. Our focus is on articulating the reasons why consumers should choose tea from a value chain perspective, with the goal of positioning Ceylon Tea for a competitive advantage and above-average profits. We believe that all challenges facing the tea sector can be resolved once the revenue targets are met

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# "Revitalizing Ceylon Tea: Strategic Plan 2025-2027 to Reclaim Global Market Leadership"

## Executive Summary

The Sri Lankan tea industry, a cornerstone of the national economy and historically renowned for its high-quality "Ceylon Tea" brand, is at a critical juncture. Global competition, aging plantations, inefficient practices, and climate change have contributed to a decline in market share, relegating Sri Lanka to the 7th largest exporter of tea. This strategic plan for 2025-2027 seeks to re-establish Sri Lanka as the 4th largest tea exporter by focusing on value chain optimization, sustainable agricultural practices, advanced marketing, workforce development, and technological modernization. By revitalizing each aspect of production, processing, and distribution, this plan aims to create a competitive edge that aligns with global standards.

## Introduction: The Current Landscape of Sri Lankan Tea

Sri Lanka's tea industry holds historical and economic importance, contributing significantly to foreign exchange earnings, employment, and rural development. Known globally as "Ceylon Tea," Sri Lankan tea has maintained a premium brand image due to its unique flavor profiles and quality. However, challenges have emerged over the past few decades due to factors such as inefficient management, degraded soil quality, outdated cultivation practices, workforce constraints, and the inability to leverage branding fully. Climate change further compounds these challenges, introducing variability in yield and quality, directly affecting exports.

Despite these hurdles, the Sri Lankan tea industry has substantial potential to regain its prominence. This strategic plan addresses key issues across the tea value chain, provides targeted actions, and sets ambitious yet achievable goals for reclaiming Sri Lanka's position as a top-tier tea exporter.

## Gap Analysis

A comprehensive gap analysis may reveal the most pressing issues within the Sri Lankan tea industry: (Following is only a tip of an ice-burg)

**Land and Soil Quality:** Many plantations suffer from "5th generation" soils that have weakened over time due to intensive monoculture practices. Additionally, many estates lack precise data on land boundaries and soil conditions, hindering effective land management.

**Aging Tea Bushes:** Much of the tea stock in Sri Lanka has aged beyond its productive years, leading to a steady decline in yield. Without scientific replanting programs, this trend will continue to hamper productivity and market competitiveness.

**Labor Constraints:** The tea industry faces a shortage of skilled labor due to inadequate workforce management practices, lack of training, and migration of young workers to urban jobs. Current labor policies do not adequately address recruitment, retention, or development.

**Operational Inefficiency:** Reliance on outdated systems and manual processes prevents timely decision-making and limits productivity. There is a need for digital integration and data analytics to drive operational efficiency.

**Market Positioning and Branding:** Sri Lanka predominantly exports bulk tea, limiting the industry's ability to capture premium prices. A strategic pivot toward branding and value-added products is necessary to strengthen its global presence. Tea contains compounds that improves immunity & Sri Lankan claim to have lowest gravity in the world ( nutrient density is still to be captured in branding and marketing – comparative advantage.

**Environmental and Climate Risks:** Climate variability, including unpredictable rainfall patterns and rising temperatures, affects tea yields and quality. Sustainable practices and climate-resilient agricultural systems are needed to address these risks.

### **Strategic Objectives for 2025-2027**

To address these gaps and achieve the vision of becoming the 4th largest tea exporter, the following strategic objectives are set:

Enhance productivity through sustainable land and crop management. Ex: High density planting. (Potential of this system (Mr. Devaka Dias method) is closer 10,000 KGH/Annum. Also reference many Planters including Mr. Dyan Senevirathne)

Reposition Sri Lanka as a leader in premium, branded tea exports. Herbal Medicinal Beverage. (Dr Dilhan Jayatilake: VP SLIM, Mr. Gerry Galahitiyawa, Dr Ranjith Abeywickrama)

Modernize operations and integrate digital technology across the value chain. Blockchain and traceability.

Develop a skilled, motivated workforce through structured HR practices. Competence mapping is hardly heard in Sri Lanka.

Increase the resilience of the tea industry to environmental and climate-related risks. Automated weather stations, satellite weather / crop monitoring?

### **Strategic Initiatives and Action Plan**

#### **1. Sustainable Land and Soil Management**

**Soil Restoration Programs:** Implement comprehensive soil health initiatives, including organic fertilization, crop rotation, and intercropping, to improve soil structure and fertility. Collaborate with agricultural research institutions to monitor soil health and conduct ongoing analyses.

**Precision Land Mapping:** Employ geographic information systems (GIS) and remote sensing to create detailed maps of tea estates. Accurate mapping enables better resource allocation, replanting decisions, and sustainable land management.

**Water Management Systems:** Establish rainwater harvesting and efficient irrigation practices to maximize water usage, especially in areas affected by seasonal water shortages.

## 2. Tea Bush Renewal and Scientific Crop Management

**Replanting Aged Crops:** Allocate funds and resources to systematically replace aging tea bushes with high-yielding, climate-resilient varieties. These modern strains are optimized for productivity and resistance to pests and climate stressors.

**Crop Care and Maintenance Training:** Offer technical training to plantation managers and workers on best practices for pruning, pest control, and crop health monitoring, following environmental guidelines and industry standards.

## 3. Workforce Development and HR Modernization

**Strategic HR Policies:** Introduce performance-based incentives, structured career progression paths, and transparent recruitment processes. These steps address labor shortages by making plantation work more attractive and rewarding.

**Skills Development:** Establish dedicated training centers to enhance technical skills and management practices, with an emphasis on sustainable agriculture and digital literacy. This ensures a capable workforce that can adapt to modern agricultural practices. (Tea sector job inventory?)

**Workforce Succession Planning:** Implement structured plans to ensure continuity by identifying and preparing the next generation of tea industry leaders. This includes identifying potential leaders at the estate level and offering mentorship programs.

**Social Support for Workers:** Collaborate with government programs to provide comprehensive social security benefits, including healthcare and retirement plans, to plantation workers. This social safety net will enhance job satisfaction and retention. (existing system with the Social Security Board covering all employees of the sector)

## 4. Operational Modernization and Digital Integration

**Digitalization of Operations:** Deploy technology solutions such as IoT sensors, data analytics platforms, and blockchain to streamline processes, monitor crop health, and improve traceability. These tools facilitate data-driven decision-making and improve supply chain transparency.

**Automated and Mechanized Processing:** Invest in modern processing facilities equipped with automation capabilities to reduce dependency on labor for repetitive tasks. Automated systems enable faster, more efficient production and improve consistency in product quality.

Real-Time Monitoring Systems: Implement monitoring systems to track crop conditions, worker productivity, and supply chain efficiency, allowing for timely interventions and adjustments.

## 5. Branding and Market Positioning for Ceylon Tea

Transition to Branded Exports: Shift from bulk tea to branded products by creating high-value, distinctively packaged teas, targeting health-conscious and premium tea markets. This will capitalize on Ceylon Tea's historical brand equity and unique attributes. (Proposed CCT: Ceylon Certified Tea.

Digital Marketing Campaigns: Launch digital marketing initiatives to build brand awareness and consumer loyalty through e-commerce platforms, social media, and targeted advertisements. Highlight the heritage, quality, and health benefits of Ceylon Tea.

Geographic Market Diversification: Identify emerging markets in Asia, the Middle East, and North America, and tailor marketing campaigns to suit local preferences and demand.

Product Diversification: Develop innovative tea-based products such as organic teas, wellness teas, and specialty blends that can cater to niche markets, thereby enhancing the appeal and profitability of Ceylon Tea.

## 6. Refuse Tea Management and Quality Control

Utilization of Refuse Tea: Introduce quality standards to eliminate the term called 'refuse tea', which constitutes approximately 20% of total output. There is nothing called refuse tea in tea. These are stalky teas have a better taste for some. This racket must be eliminated.

Quality Control Upgrades: Implement rigorous quality control protocols to ensure only premium tea reaches export markets. Modernizing quality assurance processes will enhance the brand image and enable Sri Lankan tea to command a premium price.

## 7. Climate Resilience and Environmental Sustainability

Climate-Smart Agricultural Practices: Adopt sustainable farming practices, such as agroforestry and integrated pest management, to improve resilience to climate risks. Collaborate with research institutes to develop and deploy climate-resilient tea cultivars.

Carbon Footprint Reduction: Incorporate renewable energy sources, such as solar or biogas, to reduce the carbon footprint of tea processing facilities. Achieving sustainability certification can also attract environmentally conscious consumers.

Biodiversity Conservation: Encourage plantation owners to preserve natural habitats within tea estates, which will promote biodiversity and ecological balance, enhancing resilience to pests and environmental pressures.

## **Action Plan Timeline**

Q1-Q2 2025: Conduct baseline soil and land assessments, initiate replanting and workforce development programs, and finalize HR policies. Commence digital integration pilot projects.

Q3 2025–Q2 2026: Expand replanting efforts, launch digital marketing campaigns, establish climate-smart practices, and upgrade quality control processes across major estates.

Q3 2026–2027: Assess the impact of implemented initiatives, enhance refuse tea utilization, and publish a progress report. Prepare for international audits to showcase the success and attract investment for further expansion.

## **Conclusion**

The strategic plan for Sri Lanka's tea industry for the 2025-2027 period serves as a comprehensive roadmap to revitalize this vital sector by addressing longstanding challenges while capitalizing on emerging opportunities. By prioritizing enhancements in productivity, adopting sustainable practices, refining marketing strategies, and modernizing operations, Sri Lanka has the potential to reclaim its status as a leading tea exporter. The success of this plan relies on coordinated efforts throughout the value chain, ongoing innovation, and strict adherence to global quality standards.

With sustained investment and strategic execution, the vision of positioning Sri Lanka as the fourth-largest tea exporter can be achieved, ensuring the long-term sustainability and prosperity of this crucial industry. The National Plantation Act 2025 is designed to tackle numerous existing issues and pave the way for a well-structured Ministry of Plantation Industries. In parallel, restructuring the PMMD is essential, as the current system is negatively impacting employee morale. Moreover, the legal department of the Ministry is overburdened and requires additional personnel to operate effectively before it suffers irreparable harm.

Supporting the tea smallholder sector, which constitutes 75% of the national tea production, is critical, as is ensuring its proper representation within the SLTB. The primary goal of the Agri Modernization Project—value chain management—should be fully integrated into the Ministry's decision-making processes. Furthermore, Vivonta, with 34 matured and competent consultants and economists as the sole organization capable of providing comprehensive value chain services under one roof, should be recognized as an advisory body to the Ministry and involved in national initiatives related to perennial agriculture.

It is imperative to engage a competent committee that includes representatives from all areas of the value chain to develop a practical strategic plan that addresses the needs of all stakeholders, rather than just a select few. By fostering inclusivity and collaboration, we can pave the way for a resilient and thriving tea industry in Sri Lanka. Please visit our website: [www.vivonta.lk](http://www.vivonta.lk) for further details.

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