

Lanka Fruit & Vegetable Producers, Processors & Exporters Association



ANNUAL REPORT & AUDITED ACCOUNTS 2020 - 2021

The Ceylon Chamber of Commerce, No: 50, Navam Mawatha, Colombo 02.

Tel: 5588898 Fax: 11- 2449352

Email: lankafruits@chamber.lk, web: www.lankafruit.org

LAUNCH OF THE ASSOCIATION

The Sri Lanka Fruit & Vegetable Producers, Processors and Exporters Association, established in 1986 has come a long way since its inception, thanks to the commitment and dedicated efforts of all past Presidents and Ex-Co Members along with the active support and co-operation of the general membership. However, since the Special General Meeting held prior to the Annual General Meeting of 2008, the Association Constitution was updated in keeping with the new developments. The Association was incorporated a company Limited by Guarantee on 30th March, 2009.

Due to the very turbulent times brought about by the economic meltdown in the international arena, your Association has made and will continue to make attempts at uplifting the industry, the efforts of which we hope would bear fruit in the foreseeable future.

OBJECTIVES

The Association shall endeavour to create a platform for its membership to interact with each other, to disseminate information which will improve the industry and represent its members in all public forum with particular reference to encouraging the continued development of the Fruit & Vegetable Industry's potential viz a viz:

- * *Promoting and exploring foreign market opportunities and requirements and thereby establishing standards of exports.*
- * *Establishing standards in quality control methods whilst eliminating malpractices which could bring the industry into disrepute.*
- * *Forging links between the Association, its membership and foreign organizations sharing similar interests.*
- * *Conducting of seminars, refresher courses and disseminating current industry information to acquaint producers, processors and exporters of modern technology from time to time.*
- * *Engaging in appropriate exercises, incidental or conducive to the interests of its membership, beneficial to the industry in general and exports in particular from Sri Lanka, not excluding the preparation of advertising and promotional material related to the industry, as determined by the Executive Committee.*
- * *Endeavour to establish liaison between its membership and ministries, government departments and/or corporations and other statutory and regulatory bodies connected with the industry.*
- * *The Association shall not be constrained in its mission to protect the interests of the industry and its membership at all times.*

OUR MISSION

- To increase production of crops with high export potential through improved agricultural productivity
- To Reduce Post Harvest Losses
- To improve quality and safety of available production
- To provide linkages between producers and buyers
- To facilitate Imports/ Exports and Improving the ease of doing business

MEMORANDUM OF UNDERSTANDING WITH THE CEYLON CHAMBER OF COMMERCE

The Ceylon Chamber of Commerce during its history of 180 years has been instrumental in establishing long lasting relationships with a large number of Associations. The Association has been dynamic in forging important trade links with the respective partners for the benefit of the Association members and the business community engaged in the Export trade and in facilitating the realization of strategic partnerships to exploit trade opportunities.

The Lanka Fruit and Vegetable Producers Processors and Exporters Association entered in to a Memorandum of Understanding with the Ceylon Chamber of Commerce in 1st November 2012. The Chamber continued to take a positive interest in the activities of the Accredited Associations and in recognition of the need to further strengthen the existing systems.

The secretariat which was relocated on 24th October, 2012 at the Ceylon Chamber of Commerce continue to provide excellent secretarial and logistic services to the Association. The Board Meetings of the Association are held at the CCC meeting room facilities.

39TH ANNUAL GENERAL MEETING – 05TH NOVEMBER, 2020

The 39th Annual General Meeting of the Lanka Fruit and Vegetable Producers Processors and Exporters Association was held on the 05th November 2020 as a virtual meeting connected through Microsoft Teams in the midst of members.

The following Office Bearers and the Board of Directors were re-elected at the AGM for the year 2020/2021

Office Bearers

Mr. Suresh Ellawala Chairman
1st Vice Chairman – Mr. Jagath Fernando
2nd Vice Chairman – Ms. Charindi Ranasinghe
Hony. General Secretary – Ms. Thilini Gnanasena
Hony. Treasurer - Ms. Shenali Panabokke

Board of Directors

Mr. Zuraish Hashim - Immediate Past Chairman
Mr. Chamila Gunaratne
Mr. Indralal Jayantha Alwis
Mr Randeewa Malalsooriya
Ms. Vindhya Weerasekera
Mr. Ahamed Kabir
Mr. Sebastian Cecil Ranjith Anthick
Mr. Ananda Pathirage
Mr. Jagath Pathirane
Ms. Dawn Austin
Ms. Punya Nanayakkara
Dr. Patrick Nugawela
Mr. M H Yakoob
Mr. Harsha Karunarathne

SUB-COMMITTEE 2020-2021

- (1) Advocacy - Chairman, VC1, Mrs. Austin,
Ms. Vindya Weerasekera.
- (2) Market and Value Chain Development - Mr. Zuraish Hashim, Ms. Charindi Ranasinghe,
Ms. Shenali Panabokke, Dr. P Nugawela.
- (3) Technology, Research and Innovation – Mr. Harsha Karunarathna, Ms. Thilini Gnanasena,
Ms. Punya Nanayakkara, Mr. Hafeel Yakoob,
Mr. Ahamed Kabir.

LEVPPEA MEMBERSHIP

Aitken Spence Exports (Pvt) Ltd
Amalgamated International (Pvt) Ltd
Ajith Chinese Vegetable Supplier
Alwis Agro Exports (Pvt) Ltd
Agrotech fresh Farms (Pvt) Ltd
Beyond Exports
Country Style Foods (Pvt) Ltd
Consolidated Business Systems (Pvt) Ltd
CBL Natural Foods (Pvt) Ltd
C R Exports (Pvt) Ltd
Cropwiz Pvt Ltd
Ceylon Fresh Fields Exports (Pvt) Ltd
Ceylon Plant Food (Pvt) Ltd
Dero Export International (Pvt) Ltd
Development Interplan (Ceylon) Ltd
Dilarshad Enterprise
Dole Lanka (Pvt) Ltd
Deepam Exports & Imports
D P Global Ventures (Pvt) Ltd
Eastern & Allied Agencies (Pvt) Ltd
Expolanka (Pvt) Ltd
Ellawala Horticulture (Pvt) Ltd
Econopack Industries (Pvt) Ltd
Forbes and Walker Farms (Pvt) Ltd
Gulf International Maritime (Pvt) Ltd
Global Trading & Marketing (Pvt) Ltd
Green World Exports
Green Aura (Pvt) Ltd
Greensands (Pvt) Ltd
H J S Condiments Limited
Jewelex Agri Kumaragama (Pvt) Ltd
Jagro (Pvt) Ltd
Kelani Valley Canneries Ltd
Kestrel International (Pvt) Ltd
Kent Agro Plantations (Pvt) Ltd
Lanka Agri Produce Management Corporation
Listo Food and Company
Medatenna Estate
Mitra Speculation
Nelna Agri Business
Nidro Supply (Pvt) Ltd
Orchid Exports Pvt Ltd
Prasanna Liyanaarachchi Holdings (Pvt) Ltd
Rally Packaging (Pvt) Ltd
Royal Fresh Exports (Pvt) Ltd
Serene International (Pvt) Ltd

Sunchoice Imports & Exports Co
Sungrow Lanka Pvt Ltd
Senikma Holdings (Pvt) Ltd
Saaraketha Holdings (Pvt) Ltd
Sadaharitha Agri Farms & Exporters (Pvt) Ltd
Sunfresh Agro plantations (Pvt) Ltd
Seethawaka Farm
Tulip Agro Holdings Pvt Ltd
Transgrow (Pvt) Ltd
The Lanka Salad Company
Vegiland Exporters (Pvt) Ltd
Vijeya Enterprise
YARA Global (Pvt) Ltd

NEW MEMBERS

The following companies joined the membership during the period under review;

Listo Food and Company
Greensands (Pvt) Ltd
Ceylon Fresh Fields Exports (Pvt) Ltd
Ceylon Plant Food (Pvt) Ltd
Kandrick Agro Plantations Lanka
Mr. Krishan Jayasekera - **Individual Member**
YARA Global (Pvt) Ltd
SRG Holdings
Sunfresh Agro plantations (Pvt) Ltd
Kent Agro Plantations (Pvt) Ltd
Danagala Estate Products
SR Bio Food Products (Pvt) Ltd

Review of Association Activities – 2020/2021

The Lanka Fruit & Vegetable Producers, Processors and Exporters Association (LFVPPEA) have through their direct intervention during the past few years interacted with government ministries, statutory authorities & departments and relevant stakeholders and have being successful in establishing a common understanding and consensus in implementing new thinking and a progressive activity to the sector.

1. Unavailability of empty containers for exports at the Colombo Port

Association wrote to in reference to the above matter, on which the Association have raised the concerns at several forums.

The Association addressed the following matters.

- (1) Due to the shortage of empty refrigerated (reefer) containers at the Port of Colombo, exporters of fruits & vegetables are facing difficulty in executing export orders on time.
- (2) The crisis has come at a time when the sector has been successful in securing increased export orders after the Covid -19 pandemic.
- (3) Missing schedules, higher freight charges as well as being force to hold inventory for a longer duration, has increased costs for the exporter.
- (4) Delays in shipments due to these circumstance are forcing buyers abroad to cancel orders.

2. Field certification process for some export crops –

LFVPPEA is being working together with the Department of Agriculture to provide field certification process for the export crops of Bitter Gourd, Curry leaf, Okra, Kathurumurunga, Mukunuwenna, Gotukola, Thampala, Mangosteen and Rambuttan. This program is primarily to facilitate exports to the EU and prevent pest detection at NPQS. These crops have been added for field certification process with Department of Agriculture under the supervision of NPQS.

The fresh produce exporter requires day to day inspection for their produces at field level or pre-inspection at the pack house. The initial field certification process was introduced for the crops which could not maintain the compliance level required by EU. Also this mechanism has supported to reduce the detection of the pest level of the products export to EU. The same process has been requested again from the Department of Agriculture with the expansion in order to enhance the good agricultural practices of large number of farmers.

3. Export of TomEJC Mango to Far East Markets

LFVPPEA have been in communication with NPQS who are developing VHT protocols for mango exports. In addition, the Association understands that discussions have been initiated through Sri Lankan Embassy in Beijing to facilitate imports to China.

The Association also has also been in discussion with Additional Director General – Research, Department of Agriculture to implement a fruit-fly elimination program centered around TJC Mango clusters and commercial growers.

The implementation of a good fruit fly elimination program will be a critical factor for obtaining approval from the importing country.

4. LFVPPEA's MOU with the ASMP

LFVPPEA has signed a MOU with the Agriculture Sector Modernisation Project to promote the export of fruit crops, mainly Banana, Mango and Pineapple.

5. Green Channel (not to open) Facility for Export Cargo at BIA

In order to minimize and/or obviate delays in security checks by the Sri Lanka Air Force when forwarding perishable export cargo to the Bandaranaike International Airport, the security sticker had been recommended by the Sri Lanka Export Development Board subject to discussions held with the Secretary Ministry of Defense and Sri Lanka Air Force recommendations and the Association initiated the proposal in order to facilitating the convenience export process without any interruptions.

6. Gazette Extraordinary No. 2215/39 dated 18.02.2021 in respect of receipt of export proceeds to Sri Lanka and conversion of such export proceeds into Sri Lanka Rupees. This matter was taken up with the Central Bank of Sri Lanka.

Association also highlighted the constraints that being imposed on growing exports through the proviso reflected in Clause (2) therein.

1. Limiting USD settlements to creditors and lending institutions.
2. Limiting the flexibility of USD denominated packing credit facilities.

7. Extension of Debt Moratorium

The Association engaged in discussions with the governor Central Bank (CBSL) who appraised the trade on the current economic situation of the country. Following these meetings, the following Gazette was released.

7.1 REPATRIATION OF EXPORT PROCEEDS INTO SRI LANKA - GAZETTE EXTRAORDINARY NO. 2218/38 DATED 09.03.2021

LFVPPEA was continuously engaged with CBSL officials in subsequent meetings which resulted in important amendments being made on the above gazette.

7.2 Extension of Debt Moratorium

Due to the covid 19 outbreak, all the association members had been greatly impacted in not being able to carry out export activities as earlier and the members were working in an extremely challenging environment.

Association sent out a circular to collate the information from the membership in order to seek support to secure approval from the Central Bank to extend the same facilities afforded to the other impacted industries in Sri Lanka.

8. Ban on importation of inorganic fertilisers and agrochemicals:

LFVPPEA had close dialogues with Hon. Minister of Agriculture, Secretary to the Ministry and the Director General, Department of Agriculture on the recent decision made by the Government to ban the import of inorganic fertilizers and agrochemicals with immediate effect.

At a visionary level, making Sri Lanka's agriculture sector free of harmful chemicals is laudable. The Association had also on numerous occasions highlighted the importance of promoting Good Agricultural Practices (GAP) among farmers, reducing excess use of agrochemicals and inorganic fertiliser, increasing testing facilities to certify safety and quality of agriculture products and increasing the supply of organic agriculture inputs and products. Over the years, the Association have been working closely with the relevant government agencies on all these initiatives.

However, the manner in which the government is operationalising its vision raises several concerns. The following five key concerns and suggestions discussed with the relevant authorities for an alternative path towards achieving this vision whilst minimising the costs to both consumers and agriculture businesses.

Key Concerns

- 1) *Introduction of an overnight ban, without consulting key stakeholders.***
- 2) *The supply side shocks created by the sudden ban will be a big blow to agriculture businesses that continues to suffer from the pandemic and struggling to get back on their feet.***
- 3) *Lack of clarity/information on the action plan to provide alternatives/substitutes to meet the large technology and supply gap created by the ban.***
- 4) *Risk of losing foreign buyers to suppliers from other countries.***
- 5) *Risks to Food security.***

Key suggestions

LFVPPEA proposed the following five recommendations to discuss with other representatives from private sector chambers and associations (e.g. tea, coconut, rubber, spices, floriculture). After such discussions the following points were refined and presented to the government.

- 1) Provide a forum for the agriculture sector associations to discuss the industry concerns and issues with the key proponents/decision makers of this policy from the government**
- 2) Seek clarity from the government of the action plan it has put in place to ensure that there is sufficient supply of alternatives/substitutes in the market.**
- 3) Urge the government to consider the reduction of chemical usage in a phased-out manner, whilst introducing suitable alternatives/substitutes of acceptable quality to the market. Broadening the adherence to SLGAP standards is an immediate measure that can be taken.**

- 4) Urge the government to adopt a differentiated approach to its application of the regulations when rolling out the plan to ensure minimum disruption to export businesses.
- 5) With a view to supporting the government's intentions, we suggest that funds are made available for large scale R & D and commercialisation of organic inputs.

9. Requested for import of fertilizer and crop protection products required by fruit and vegetable exporters.

Chairman was invited to several discussions with the Hon. Mahindananda Aluthgamage, Minister of Agriculture, to discuss the above matter. Association wrote to Dr. P. B Jayasundara Secretary to the President, seeking the government approval for importation of fertilizer and crop protection products required by fruit and vegetable exporters.

Association highlighted that the immediate ban on imports without any conversion period, raises severe challenges for those exporters who rely on such products to maintain the high quality standards required by overseas markets. While maintaining such standards, the products are required to meet Maximum Pesticide Residue Limits (MRL's) to gain entry ensuring that chemical usage is both prudent and carefully monitored. If growers are unable to provide plants with the required nutrients on time, it will weaken plant strength making them more susceptible to pest and disease along with reduced production. Further, if the required crop protection products are unavailable, management of the crop to the required visual and pest free standards will no longer be possible.

With the ban on fertilizer and plant protection product banana exports alone are forecasted to reduce by 60% by the end of FY21, which places the viability of producers in the sector in serious jeopardy and a grave impact on the employment of more than 2000 persons.

Association highlighted the following suggestions.

1. Seek clarity from the government of the action plan it has put in place to ensure that there is sufficient supply of alternatives/substitutes in the market. For example, what alternatives and substitutes have been identified to manage pest and diseases, what measures have been taken to increase the supply of organic fertilizer in the market of assured quality etc. Further, there have been numerous initiatives already in place, that is important to be fast-tracked (e.g. the registration of bio-pesticides).
2. Urge the government to consider the reduction of chemical usage in a phased-out manner, whilst introducing suitable alternatives/substitutes of acceptable quality to the market. Broadening the adherence to SLGAP standards is an immediate measure that can be taken.

3. Urge the government to adopt a differentiated approach to its application of the regulations to ensure minimum disruption to export businesses. Since exporters must meet importing country and buyer requirements, it is important to ensure their ability to do so is not severely undermined as a result of a blanket ban. Therefore, allowing for exemptions (for example, permitting the import of specialty water soluble fertilizers used in hydroponics and horticulture) with necessary safeguards to ensure that such is used responsibly is critical to sustain export business. This is important to ensure whilst saving foreign exchange via a ban that the same is not undermining the ability for the country to earn much needed foreign exchange.
4. With a view to supporting the government intentions, Association suggests that funds are made available for large scale R & D and commercialization of organic inputs.

Association urged the government to adopt a differentiated approach to its application of the regulations to ensure minimum disruption to export businesses. Since exporters must meet importing country and buyer requirements, it is important to ensure their ability to do so is not severely undermined as a result of a blanket ban. Therefore, allowing for exemptions (for example, permitting the import of specialty water soluble fertilizers used in hydroponics and horticulture) with necessary safeguards to ensure that such is used responsibly is critical to sustain export business. This is important to ensure that whilst saving foreign exchange via the ban, that the same is not counterproductive and undermining the established ability for the business of Fruit and Vegetable exports country to not diminish in volume and value vis-a-vis earn much needed foreign exchange.

10. Revised USD/LKR Conversion Rate: LKR 229.00 - WEF 04.09.2021 as declared by Sri Lankan Airlines on 03.09.2021.

LFVPPEA lobbied with Sri Lankan Airlines on declaring the unfavorable new Revised USD/LKR Conversion Rate to be LKR 229.00 WEF from 04.09.2021 for freight all kinds (FAK) ex. Sri Lanka.

The Lanka Fruit and Vegetable Producers, Processors and Exporters Association (LFVPPEA), firmly raised objection to the above declaration of an unofficial USD/LKR Conversion Rate of LKR 229.00 for the calculation of Air Freight charges on all Sri Lankan exporters, and the Association urged Sri Lankan Airlines, being the National Carrier to maintain the official USD/LKR Conversion/Exchange Rate declared by Central Bank of Sri Lanka (CBSL) which stood at LKR 203.00.

Association requested Sri Lankan Airlines not to arbitrarily revise the conversion rate beyond the official Forex Rates declared by CBSL, which is the official and legally binding Forex Benchmark provider in Sri Lanka. This matter would cause significant financial losses to the exporter sector, who are currently battling the Covid-19 world pandemic and striving to earn much needed foreign exchange for the country.

Projects

11. EU-SWITCH Asia Grant Aid for Sustainable Consumption & Production (SCP) – A project to promote Inclusive Green Fruit and Vegetable Sector in Sri Lanka

The SWITCH-Asia Programme, launched in 2007, is part of the EU Flagship Initiative SWITCH to Green and of the Commission's contribution to the achievement of the SDG12 on Responsible Consumption and Production in Asia. Therefore, through technical assistance and innovative projects, the Programme supports the transition of the region to a low-carbon, resource efficient and circular economy whilst promoting more sustainable supply chains and products between Asia and Europe by engaging with various actors (the industrial sector, consumers, financial institutions, national governments and regional organisations).

The global objective of this call for proposals is to support the development of a green, low-carbon, resource-efficient and more circular economy, and to contribute to economic prosperity and poverty reduction in Asia. The specific objectives of this call for proposals are: (1) to develop and adopt less polluting and more resource-efficient and circular products, processes and services by MSMEs allowing their integration to global greener value and supply chains and, (2) to promote more sustainable consumption patterns in Asia.

Organic food is the fastest growing segment of the food industry. The higher value organic produce is an ideal market segment for Sri Lanka. Sri Lanka can position itself as a supplier of choice for organic produce. LFVPPEA in partnership with ITC conducted a project preparation study on value addition to fruits and vegetables in Sri Lanka. The study recommended the expansion of the cultivation of five fruits namely, banana, pineapple, mango, papaya and pineapple. LFVPPEA has now determined to double Sri Lanka's sector exports through a focus on three of these crops – Banana, Pineapple and Mango.

Activities/Actions

1. Farmer training in organic cultivation – this can be done in partnership with ASMP farmer cluster project and the Department of Agriculture's Makandura Research Station.
2. Technology and Equipment for the Manufacture of High Quality Organic Compost Develop innovative ways to protect harvests from pests and diseases - manufacture of biopesticide, bio-fungicide and bio-stimulant products – possible partnership with SLINTEC.
3. Introduction of new precision agriculture methods – focus on reduced use of water, fertilizer and chemicals.
4. Establishing traceability throughout the supply chain - better information for consumers, including by digital means, on details such as where the food comes from, its nutritional value, and its environmental footprint.
5. Promote the use of certification and eco labelling. Establish LFVPPEA's PGS (participatory guarantee scheme) eco standard.
6. Promote eco-labelled produce with local consumers and export markets.
7. Promote the use of natural fibre in packaging. E.g banana and pineapple fibre. – partnership with ITI.

8. Greening Energy Costs of Farm, Pack house, Processing and Transportation Operations.

9. Link farmers with processors and exporters.

Benefits

1. Reduce significantly the use and risk of chemical pesticides, as well as the use of fertilisers.
2. Protect the Environment.
3. Preserve bio-diversity.
4. Improve farmer income.

12. Developing food loss reduction pathways through smart business practices in mango and tomato value chains in Pakistan and Sri Lanka,

The Australian Centre for International Agricultural Research (ACIAR) is funding a project for identifying ways to reduce and manage food losses in Pakistan and Sri Lanka.

Key Benefits:

The success of the project will build on collaborations with the growers, processors and service providers of the targeted commodities.

ACIAR aim to identify key challenges to improving quality and supply reliability, and most beneficial opportunities for reducing pre-harvest and post-harvest losses.

The study will seek ways to implementing practice change across the chain to better align activities for creating higher value for businesses and consumers, and the society as a whole.

Forging stronger links with stakeholders would therefore be an important aspect of the project, which will allow ACIAR to draw from the experience of progressive farmers and processors who have broader experience in trying different ways to improve the current situation.

Feasible options that will lead to greater integration of activities across the value chain could then be demonstrated as potential ways to improve industry outlook, attract new investment and build a reputation for Pakistani and Sri Lanka produce.

Close consultations with industry and subsequent analyses will help ACIAR identify key knowledge gaps, strengths and prioritise options to make the situation better.

ACIAR nominated LFVPPEA as a project collaborator and seeking the Association valuable advice in making this project a success.

LFVPPEA Recommendations for fruit and vegetable sector – National Budget

2022

1. IMPORTATION OF INORGANIC FERTILIZER AND CROP PROTECTION PRODUCTS (CPP)

Growers and exporters in our sector remain gravely concerned with the unavailability of fertilizer and CPP, with their businesses facing a serious crisis. The situation requires urgent intervention at the highest level as there is already a significant drop in quality of produce along with an escalation of prices due to lesser yields.

While assurances have been provided by Government Ministers and senior officials that the export sector will be provided with the required fertilizer and CPP, in reality, no application for imports has moved beyond the Approval Committee of the National Fertilizer Secretariat (NFS) or the Registrar of Pesticides (ROP).

We are now made to understand that approval at Cabinet or Finance Ministry/Treasury level is required, without which neither the NFS or the ROP will grant any approvals for the fruit and vegetable export sector (green house and open field).

2. REPATRIATION OF EXPORT PROCEEDS AND FOREIGN CURRENCY ACCOUNTS

In the past week, CBSL has made a presentation regarding the inadequate repatriation of export funds along with its proposed solutions.

While we recognise that the country is facing an unprecedented foreign currency crisis, we find that the CBSL laying the blame with exporters as disappointing. In addition, the proposed remedial actions will further erode confidence in the SL rupee.

Cash flow requirements do not permit exporters to hold onto funds in foreign currencies indefinitely. As there have been ongoing restrictions on remittances for imports, having one's own funds has helped exporters overcome foreign currency shortages in the market, enabling exporters to import required raw materials and packaging in a timely manner. Were this facility unavailable, exports may have suffered significantly during this period leading to delays and cancellation of export orders.

Once funds are received by exporters, the required conversion may not take place if the conversion rate offered by the bank is inadequate and a wide gap exists between buying and selling rates.

Rather than penalise the exporter, we suggest that CBSL provides exchange conversions rates that are more reflective of the perceived value of the SL rupee and also fix rupee interest rates at a level that encourages rupee savings.

We also believe that forced foreign currency conversion will cause increased costs as well as cause production delays for the exporters.

The need of the hour is to support Sri Lanka's manufacturing and services sectors to become further export-oriented. Developing countries that have oriented their economies in such a manner have been able to face the economic downturn much more confidently.

3. COST OF PACKAGING FOR LOCAL FRUIT PULP PROCESSORS

Allow the import of aseptic bags (3-layer nylon/VMPET/PE, HS Code – 3923.30.90) on tax free basis for local use to encourage import substitution (current duty 30%, Pal 10%, cess 10%) and exports. Aseptic bags enable the storage of thermally sterilized shelf-stable fruit pulp at ambient temperature without chemical preservatives. This will reduce post-harvest losses and also support farm gate prices during times of oversupply.

4. SVAT ELIGIBILITY IS BASED ON 50% OF TURNOVER BEING EXPORTS

Reduce threshold to 25% as import substitution is increasing domestic demand, making manufacturers that supply to exporters ineligible for SVAT.

5. IMPORTERS UNABLE TO OBTAIN 180 DAYS CREDIT from international suppliers of fertilizer and agro-chemicals and other inputs.

Permit exporters who have earned foreign exchange to pay domestic suppliers in dollars, facilitating imports (fertilizer, agro-chemicals and other inputs) for which the supplier does not have foreign currency available.

6. HIGH PRICE AND SHORTAGE OF PACKAGING MATERIALS AND CONSUMABLE ITEMS

Permit unrestricted import without any ministry approval under TIEP using earned foreign exchange.

7. MANUFACTURE OF ORGANIC FERTILISER AND BIO-PESTICIDES IN THE COUNTRY IS LIMITED

Assistance toward R&D to develop bio-pesticides and nutrient fixing inoculants and the production of compost, bio pesticides and nutrient fixing inoculants.

8. DELAY IN RELEASE OF VAT REFUNDS

Establish a special desk at the IRD to assist exporters with VAT refunds and fast-track release for refunds.

9. LACK OF FOCUS ON EXPORTS BY FINANCIAL INSTITUTIONS

The need for an EXIM Bank has been discussed on many occasions, but has never materialized. In order to bring our economy back on track with export led growth, thereby increasing the country's foreign currency reserves, an export development oriented bank is required.

10. DEVELOPMENT OF COMMERCIAL AGRICULTURE IN THE SECTOR

Provide land and incentives for commercial agriculture investments without which there will be only limited growth of Exports. Please refer to our annexed document on doubling sector exports.

Seminars/Interactive forum

1) Webinar on opportunities to expand export agriculture.

The Lanka Fruit & Vegetable Producers, Processors & Exporters Association (LFVPPEA) together with Agriculture Sector Modernization Project (ASMP) organized the above webinar on 10 December 2020. This webinar was very topical for the Agri Sector as it touched on the modernization of the agriculture practices and improvements on the quality of products.

Webinar on Opportunities to expand Export Agriculture

The World Bank funded Agriculture Sector Modernisation project (ASMP) has been in the forefront of modernizing the agriculture practices in Sri Lanka to improve the productivity and product quality and to enhance the export standard of perishables.

This Webinar calls for industry stakeholders to engage with the ASMP project and their established farmer clusters, and to acquire their technical expertise on modernization of Agriculture.

Date : 10th December 2020
Time : 3.00 p.m.
Registration Fee :
- Free for members of LFVPPEA
- Rs 1,000 for non-members

Members and non-members, please contact lankafruits@chamber.lk or 077 548 6998 for registration.

This Webinar will be useful for;
Perishable Exporters, Processors and Growers, Retail Chains,
Businesses in e-commerce, Investors in Agriculture, Investors in
Agro-Tech, Start-ups in the Agriculture Sector



JULIAN VELEZ, PhD
International Agronomist
ISP- Agriculture Sector
Modernisation Project

SURESH ELLAWALA
Chairman
Lanka Fruits and Vegetables
Exporters, Processors and Producers
Association



කෘෂි නවීකරණ ව්‍යාපෘතිය
Agriculture Modernization Project

2) Transitioning from conventional agriculture to organic agriculture for the export market.

The Lanka Fruit & Vegetable Producers, Processors & Exporters Association organized the webinar on transitioning from conventional agriculture to organic agriculture for the export market on 16 June 2021.

The poster is for a live webinar titled "TRANSITIONING FROM CONVENTIONAL AGRICULTURE TO ORGANIC AGRICULTURE FOR THE EXPORT MARKET". It is presented by the Lanka Fruit & Vegetable Producers, Processors & Exporters Association. The event is scheduled for 16th June 2021, from 9:30am to 11:30am, including a Q&A session. Registration is available at <https://qrqo.page.link/rJTm>. The poster features three resource persons: Dr. Warshi Dandeniya (Senior Lecturer, Soil Science, University of Peradeniya), Mr. Kasun Geeganage (Certifier – Organic Certification, Control Union), and Ms. Charindi Ranasinghe (Vice Chairperson, Lanka Fruit & Vegetable Producers Processors & Exporters Association). A QR code is provided for registration. The participation fee is Rs. 1000/- per person. Contact information for the association is also listed.

LIVE WEBINAR

TRANSITIONING FROM CONVENTIONAL AGRICULTURE TO ORGANIC AGRICULTURE FOR THE EXPORT MARKET

Date: 16th June 2021
Time: 9:30am to 11:30am (Including Q&A Session)
Registration: <https://qrqo.page.link/rJTm>

Presents

zoom
Video Conferencing

Scan the QR code below to register

Resource Persons:

Moderator

Dr. Warshi Dandeniya
Senior Lecturer,
Soil Science,
University of Peradeniya

Mr. Kasun Geeganage
Certifier – Organic Certification,
Control Union

Ms. Charindi Ranasinghe
Vice Chairperson,
Lanka Fruit & Vegetable Producers
Processors & Exporters Association.

Participation fee per person
Rs. 1000/-

LANKA FRUIT & VEGETABLE PRODUCERS, PROCESSORS & EXPORTERS ASSOCIATION
C/o. The Ceylon Chamber of Commerce,
50, Nawam Mawatha, Col 02

+94 11 5588898 (Ushani)
+94 77 191 9122 (Harsha)

Fax: +94 11 2449352
E-Mail: lankafruits@chamber.lk
Web: www.lankafruit.org

Resource Persons:

Dr. Warshi Dandeniya
Senior Lecturer
Faculty of Agriculture
University of Peradeniya

Mr. Kasun Geeganage
Certifier – Organic Certification
Control Union Inspections (Pvt) Ltd

Outline:

- Variability
- Common principles of any systems
- What is organic agriculture?
- Systems approach for organic agriculture
- Choices of inputs and practices for organic farming
- Major limitations to consider
- Where do we have the potentials
- Producing safe food with organics
- How to do transition?

3) Way forward to productive organic agriculture for the export market.

The Lanka Fruit & Vegetable Producers, Processors & Exporters Association organized its 3rd webinar on way forward to productive agriculture for the export market on 28th July 2021.



Presents



Microsoft Teams

Moderator



Ms Charindi Ranasinghe
Vice Chairperson,
LFVPEA



Way Forward to Productive Organic Agriculture for the Export Market

අපනයන වෙළඳපොළ සඳහා වඩාත් ලාභදායී හා ප්‍රතිඵලදායී කෘෂිකර්මය වන්නේ, රසායනික භාවිත කෘෂිකර්මයද, යන්ත්‍රීකරණ කෘෂිකර්මයද, කාබනික ගොවිතැනද?

Date Time : 28th July 2021 from 9:00am to 12:00 pm
Registration : <https://qrqo.page.link/WzhZN>

Resource Persons:



Mr. Nimal Gunasena
Agriculture Development Officer
Food and Agriculture Organization



Prof. Buddhi Marambe
Senior Professor
Faculty of Agriculture,
University of Peradeniya



Prof. Palitha Weerakkody
Senior Professor
Faculty of Agriculture,
University of Peradeniya

Participation fee per person
Rs. 1000/-

LANKA FRUIT & VEGETABLE PRODUCERS, PROCESSORS & EXPORTERS ASSOCIATION
C/o. The Ceylon Chamber of Commerce,
50, Nawam Mawatha, Col 02
E-Mail : lankafruits@chamber.lk
Web: www.lankafruit.org



Scan the QR code to registration

+94 77 191 9122 (Harsha)
+94 77 0265919 (Thilini)
+94 11 5588898 (Ushani)

Resource Persons:

Prof. Buddhi Marambe
Senior Professor
Faculty of Agriculture
University of Peradeniya

Mr. Haridas Fernando
Deputy General Manager
Cargills Ceylon PLC

Prof. W A P Weerakkody
Senior Professor
Faculty of Agriculture

Outline:

- Relevance of conventional agriculture in the global context.
- Suitability of SLGAP and Global GAP for the export market.
- Extracting value from organic agriculture in the export market.

THE ASSOCIATION ALSO MAINTAINS A CLOSE DIALOGUE WITH THE FOLLOWING INSTITUTIONS

Sri Lanka Export Development Board (EDB)
Department of Agriculture
Ministry of Finance
Ministry of Agriculture
Ministry of Plantations
Department of Inland Revenue
Ministry of Industry and Commerce
Ministry of Technology and Research
National Fertilizer Secretariat (NFS)
National Plant Quarantine Service (NPQS)
Sri Lanka Standards Institute (SLSI)
Department of Commerce
National Plant Protection Office
Office of the Registrar of Pesticides
Seed Certification Center
Seed Certification and Plant Protection Center
Sri Lanka Customs
Seed and Planting Material Development Center
Central Bank of Sri Lanka
Food and Agriculture Organisation
Horticultural Crop Research and Development Institute
International Seed Testing Association
Industrial Technology Institute
Sri Lanka Export Credit Insurance Corp. (SLECIC)

ASSOCIATION AFFILIATIONS

Shippers' Council

- Mr. Zuraish Hashim
- Mr. Jagath Pathirane

Exporters Association of Sri Lanka

- Ms. Charindi Ranasinghe

National Agribusiness Council

- Mr. Hafeel Yakoob

Advisory Committee of Sri Lanka Export Development Board

- Mrs. Dawn Austin

Steering Committee of WTO/ STDF Project on Improving Quality and Safety of Sri Lankan Fruits and Vegetables

- Mrs. Dawn Austin
- Mr. S. Gnanaskandan

Advisory Committee on Processed Food and Beverages

- Mr. Suresh Ellawala

Advisory Committee on National Quality Infrastructure

- Mr. Zuraish Hashim

SIGNING OF MOU

The Lanka Fruit and Vegetable Producers, Processors and Exporters Association (LFVPPEA) signed a memorandum of understanding with the Agriculture Sector Modernisation Project (ASMP) on Friday, 27th November 2020 in Jaffna.

ASMP is a World Bank Project under the Ministry of Agriculture with wide objectives within the Sri Lankan agricultural field. Acknowledging the intention of the two parties in establishing a framework for co-operation and mutual assistance in modernizing agriculture in the country, believing that such co-operation would achieve the aim of facilitating the technical exchange of knowledge, establishment of “Nucleus Estates”, engagement with farmer beneficiaries of the ASMP, of tropical fresh fruits, namely bananas, mangoes, papayas, MD-2 pineapples and white guava, which are known as the targeted fruits in the project. The effective export promotion and marketing of the targeted fruits will improve the exports of such fruits.

The main objectives of this project are,

1. Increase in production of the targeted fruits through improved agricultural productivity and quality – with a specific focus on exports
2. Develop and implement a Nucleus Estate (explained in note 1) concept for commercial growers within the LFVPPEA to work together with groups of out-growers made up of ASMP farmer beneficiaries grouped in ASMP Clusters.
3. Introduce modern pack houses to improve product quality and reduce post-harvest losses of the targeted fruits in the ASMP Districts only.
4. To improve quality and safety of the available production of the targeted fruits.
5. To provide linkages between Producers, members of the LFVPPEA, and International Buyers of the targeted fruits.
6. To facilitate exports by sea freight of the targeted fruits.

The project will endeavor to take necessary steps to encourage and promote co-operation in the following areas:

- (a) Technical cooperation
- (b) Develop a Nucleus Estate concept for commercial growers
- (c) To develop market opportunities between potential international markets and international businesses for the targeted fruits.



Representative of the Lanka Fruit and Vegetable Producers, Processors and Exporters Association and Agriculture Sector Modernization signing the memorandum of understanding signed in November 2020 in Jaffna, marking the start of a partnership.

The MOU signed between ASMP and LFVPPEA would give a further boost to the country's growing export market. Given the growth in Sri Lanka's exports industry, perishable exporters, processors, growers, retail chains, Agri Investors, Agro-Tech Investors could explore opportunities in the sector.

MARKET INFORMATION REPORT & WEB SITE

You can now browse your association web on: www.lankafruit.org. The Association website will be interfaced with the SLEDB site for more exposure.

MEETINGS OF THE EXECUTIVE COMMITTEE

Since of the last AGM up to November 2020, the Executive Committee of the Association has met on 10 occasions.

The following attendance was recorded at the Ex-Co meetings.

Ellawala Horticulture (Pvt) Ltd.	8
Jagro (Pvt) Ltd.	8
C R Exports (Pvt) Ltd.	10
H J S Condiments.	7
Eastern & Allied Agencies (Pvt) Ltd.	3
Development Interplan (Ceylon) Ltd.	9
Aitken Spence Exports (Pvt) Ltd.	2
Alwis Agro Exports (Pvt) Ltd	2
CBL Natural Foods (Pvt) Ltd.	6
Dilarshad Enterprises.	7
Dole Lanka (Pvt) Ltd.	8
Expo Lanka (Pvt) Ltd.	9
Gulf International Maritime (Pvt) Ltd.	6
Nidro Supply (Pvt) Ltd.	9
Nelna Agri Business.	9
Serene International (Pvt) Ltd.	4
Seethawaka Farm.	7
Transgrow (Pvt) Ltd.	7

The above statistics does not necessarily reflect the interest shown in the activities of the Association by its Executive committee. The Executive committee under the guidance of the Chairman, has represented the Association at many forums with several government agencies and statutory authorities to collectively address grievances confronting the Industry. However, the benefits that have accrued to the industry have not only being shared by the membership of the Association, but also by the other exporters who are yet not members.

ACCOUNTS

Honorary Treasurer Ms. Shenali Panabokke with able support of Mr. Gnanaskandan (Past Chairman) has taken great pains to ensure that the Accounts continue to be in order. She has with the concurrence of the Ex-Co prudently invested monies of the Association in Fixed Deposits with the People's Bank thereby resulting in a very healthy Balance Sheet for the Association.

EXPORT STATISTICS

Ms. Thilini Upadya Assistant Director of the SLEDB provides monthly statistics.

Code	Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	% Avg. Growth
		Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	
S.050399	Other Vegetables	6.9	11.26	11.16	8.63	9.78	13.94	14.92	12.99	17.99	16.35	21.78	15.03	7.61
S.050310	Manioc	2.05	1.29	2.89	1.39	1.66	2.49	2.88	3.26	2.76	2.95	3.44	3.46	7.13
S.050308	Gherkins	0.55	0.52	0.46	0.49	0.9	1.36	0.93	0.89	0.71	1.23	1.97	2.64	13.15
S.050312	Chillies	0.73	0.68	0.87	0.86	0.87	1	0.95	1.28	1.37	1.46	1.31	1.63	7.61
S.050301	Onions	0.02	0.08	0.24	0.06	0.14	0.05	0.04	0.06	0.1	0.12	0.38	1.41	19.77
S.050309	Mushroom	0.58	0.78	0.51	0.94	2.51	1.76	1.49	1.42	1.72	2.12	2.33	0.96	9.22
S.050311	Kiri Ala	0.53	0.38	0.51	0.43	0.37	0.44	0.36	0.33	0.25	0.23	0.36	0.3	-5.44
S.050307	Sweet Potatoes	...	0.01	0.01	0.01	...	0.01	0.01	0.03	0.04	0.04	0.07	0.2	32.78
S.050303	Garlic	0.03	0.03	0.04	0.01	0.03	0.05	0.02	0.1	0.03	...	0.04	0.05	-1.54
S.050302	Tomato	0.01	...	...	0.1	0.03	0.02	...	0.01	0.2	0.01	...	0.04	24.39
S.050306	Potatoes	0.01	0.01	0.02	0.07	0.01	...	...	0.01	0.04	0.08	0.07	0.04	13.47
S.050305	Carrots	...	...	...	...	...	...	...	...	0.01	0.03	0.02	...	...
S.050304	Cabbage	...	...	...	...	...	...	...	...	...	...	...	...	...
Total :		11.41	15.03	16.72	12.99	16.29	21.13	21.6	20.38	25.24	24.63	31.78	25.74	7.84

Code	Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	% Avg. Growth
		Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	Value	
S.050104	Bananas	1.11	1.95	4.08	6.38	8.45	16.5	15.86	16.33	16.84	14.93	13.83	12.76	21.12
S.050107	Other Fruits	6.06	8.35	7.59	5.93	8.73	11.76	10.13	9.3	13.39	14.99	18.67	11.89	8.23
S.050106	Melons & Papayas	0.47	0.62	0.74	0.8	1.16	1.87	1.93	2.54	3.64	3.74	6.03	5.5	24.11
S.050101	Pineapples	1.69	1.83	1.8	1.52	2.96	4.91	5.06	3.96	5.03	2.77	2.04	1.86	4.15
S.050102	Tamarind	0.11	0.2	0.2	0.57	0.1	0.55	0.08	0.18	0.38	2.29	0.16	0.92	12.6
S.050103	Goraka (Garzenia)	1.44	1.9	1.98	2.55	7.42	8.07	4.29	2.33	1.95	0.35	0.91	0.43	-13.12
S.050105	Lemons	1.27	1.34	0.97	0.35	0.36	0.64	0.76	0.13	0.65	0.75	0.18	0.36	-11.73
Total :		12.14	16.19	17.36	18.1	29.19	44.31	38.11	34.76	41.87	39.84	41.81	33.71	10.54

AUDITORS

RN Associates was elected as the Auditors of the Association. The Audited statements of the Accounts of the Association for the period 2020-2021 is annexed.

SECRETARIAT

The Ceylon Chamber of Commerce provides secretarial services to the Association during the period under review.

ACKNOWLEDGEMENT

On behalf of the Membership of the Association, I wish to place on record our thanks and gratitude to the Chairman, Director General, Assistant Director, Ms. Thilini Upadya and staff of the Sri Lanka Export Development Board for the co-operation and valuable assistance that they have extended to us and the Sector.

The Chairman and the members of the Committee have given their best towards the Association activities, very often at short notice and inconvenience to themselves.

By Order of the Committee

Ushani Dassanayake

For Secretary