

Lanka Fruit & Vegetable Producers, Processors & Exporters Association



ANNUAL REPORT & AUDITED ACCOUNTS **2018 - 2019**

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.

37TH ANNUAL GENERAL MEETING – 27TH OCTOBER, 2018

The 37th Annual General Meeting of the Lanka Fruit and Vegetable Producers Processors and Exporters Association was held on the 27th October 2018 in the Board Room of The Ceylon Chamber of Commerce in the midst of members.

The following Office Bearers and the Board of Directors were re-elected at the AGM for the year 2018/2019

Office Bearers

Mr. Zuraish Hashim Chairman
Mr. Imdadh Marikar 1st Vice Chairman
Mr. Suresh Ellawala 2nd Vice Chairman
Ms. Shenali Panabokke Hony. Treasurer
Ms. Thilini Gnanasena Hony. Secretary

Board of Directors

Mr. Annes Junaid - Immediate Past Chairman
Ms. Shenali Panabokke
Ms. Thilini Ghanasena
Ms. Charindi Ranasinghe
Mrs. Dawn Austin
Mr. Harsha Karunarathne
Mr. Ahamed Kabir
Mr. Jagath Fernando
Mr. M H Yakoob
Mr. Chamila Gunarathna
Mr. S C R Anthick
Mr. Ananda Pathirage
Mr. K T Ainkaran
Ms. Punya Nanayakkara
Mr. Jayantha Alwis

SUB-COMMITTEE 2018-2019

- | | |
|--|---|
| (1) Advocacy | - Chairman, VC2, Mr. Annes Junaid |
| (2) Market Development | - Ms. Shenali Panabokke, Mr. H Yakoob,
Ms. Punya Nanayakkara, Mr. Harsha
Karunarathna |
| (3) Membership, Communication & Events (MCE) | - Ms. Thilini Gnanasena, Ms. Charindi
Ranasinghe |
| (4) Research & Innovation | - Mr. Jagath Fernando, Ms. Thilini
Gnanasena |

Other Sub-Committee:

Nobresco - Mr. Imdadh Marikkar / Mr. Annes Junaid / Mr. Suresh Ellawala

LEVPEEA MEMBERSHIP

Aitken Spence Exports (Pvt) Ltd
Amalgamated International (Pvt) Ltd
Ajith Chinese Vegetable Supplier
Alwis Agro Exports (Pvt) Ltd
Brown & Company PLC
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
Dero Export International (Pvt) Ltd
Development Interplan (Ceylon) Ltd
Dilarshad Enterprise
Dole Lanka (Pvt) Ltd
Deepam Exports & Imports
DFCC Bank Plc
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
H J S Condiments Limited
Jewelex Agri Kumaragama (Pvt) Ltd
Jagro (Pvt) Ltd
Kelani Valley Canneries Ltd
Kestrel International (Pvt) Ltd
Kinetic Trading (Pvt) Ltd
Medatenna Estate
Mitra Speculation
Nations Trust Bank PLC
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
Tulip Agro Holdings Pvt Ltd
Transgrow (Pvt) Ltd
The Lanka Salad Company
Vegiland Exporters (Pvt) Ltd
Vijeya Enterprise

NEW MEMBERS

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

Green World Exports
Prasanna Liyanaarachchi Holdings (Pvt) Ltd
Senikma Holdings (Pvt) Ltd
Saraketha Holdings (Pvt) Ltd
Sadaharitha Agri Farms & Exporters (Pvt) Ltd
D P Global Ventures (Pvt) Ltd
Green Aura (Pvt) Ltd
Lanka Agri Produce Management Corporation

CURRENT DEVELOPMENT IN THE SRI LANKA AGRICULTURE SECTOR

The agriculture sector contributes about 7 percent to the national GDP out of which the fisheries sector contributes around 1.2 percent and the livestock sector accounts for 0.6 percent. Over 25 percent of Sri Lankans are employed in the agricultural sector. Although Sri Lanka is a fertile tropical land with the potential for the cultivation and processing of a variety of crops, issues such as productivity and profitability hamper the growth of the sector.

Sri Lanka's primary food crop is rice. Rice is cultivated during two seasons. Tea is cultivated in the central highlands and is a major source of foreign exchange. Fruit, vegetables, and oilseed crops are also cultivated in the country. One of President Sirisena's top priorities is to increase productivity in the agriculture sector. There has been low adoption of mechanization in farming. The president wants to increase mechanization and grow higher value cash crops such as fruit, flowers, and other export oriented crops. The lack of private investment in agriculture due to uncertain policies limits the expansion of the sector.

Sri Lanka imports a variety of agricultural products and food including wheat, lentils, sugar, fruit, milk, and milk products. The importation of food and beverages account for 7.2 percent of total imports in 2018. Sri Lanka is emerging as an important market for international business and tourism. A variety of upscale international and local hotels, resorts, and restaurants have opened in Colombo, Kandy, Galle, and around major tourist sites. They offer a good platform for introducing new-to-market imported food products. Additionally, upscale retailers are creating avenues for imported foods and beverages. Sri Lanka also imports animal feed. Total agriculture, food, and beverage imports were \$1.6 billion in 2018. U.S. suppliers have significant opportunities in this market.

NATIONAL AGRICULTURAL POLICY

Introduction

The agricultural sector will continue to play an important role in the application of strategies targeted towards a planned socio-economic development of the country. Rapid growth of the agricultural sector, particularly the domestic food production, floriculture and export crop sectors is essential to achieve self-reliance at national level, ensure food security and to bring about equity in the distribution of income and wealth for alleviating of poverty.

This document presents the National Agricultural Policy Statements for the Food, Floriculture and Export Agricultural Crop Sectors, with the aim of solving many problems and facilitating their rapid growth. The objectives stipulated in the policies therein have been designed to meet the basic needs of the farming community in terms of food and nutrient security, enhanced employment opportunities and incomes, through the adoption of technically feasible, socially acceptable, economically viable and environmental friendly agricultural production technologies, marketing and related strategies.

National policies relating to other sectors of agriculture, plantations, livestock, fisheries and aquaculture, forestry and land use have been formulated by the concerned ministries.

Goals and Objectives

- 1) Increase domestic agricultural production to ensure food and nutrition security of the nation.
- 2) Promote agricultural productivity and ensure sustainable growth.
- 3) Maximize benefits and minimize adverse effects of globalization on domestic and export agriculture.
- 4) Adopt productive farming systems and improved agro-technologies with a view to reduce the unit cost of production and increase profits.
- 5) Apply environmental friendly techniques in agriculture.
- 6) Promote agro-based industries and increase employment opportunities thereof, and,
- 7) Enhance the income and the living standard of farming community.

Policy Statements

1. Promoting Agricultural Production

- 1.1 Implement technically sound, economically viable, environmental friendly and socially acceptable programmes to promote sustainable agricultural development with efficient and effective utilization of resources.
- 1.2 Increase local food supply, employment opportunities, and agricultural exports by emphasizing on cultivation of rice and other field crops, horticultural and floricultural crops, roots and tuberous crops, export agricultural crops, herbal crops, other underutilized crops and bee-keeping.
- 1.3 Increase productivity of water and land by enhancing crop production through the application of sustainable cultivation practices.
- 1.4 Promote good agricultural practices such as Integrated Pest Management (IPM) and Integrated Plant Nutrition Management (IPNM), for sustainable agricultural development.

2. Seeds and Planting Materials

- 2.1 Produce and supply high quality seeds and planting materials of commercial varieties in a competitive environment with participation of the private sector.
- 2.2 Maintain seed security by having buffer stocks of certified seeds of recommended varieties.
- 2.3 Enforce strictly governmental certification and quarantine regulations with regard to seeds and planting materials.

- 2.4 Enact laws to ensure that the seeds and planting materials available in the market are of good quality.

3. Fertilizer and Manures

- 3.1 Promote production and utilization of organic and bio-fertilizers and gradually reduce the use of chemical fertilizers.
- 3.2 Ensure timely availability of inorganic fertilizers and in sufficient quantities, while providing soil and plant testing facilities for their rational use through site specific application.
- 3.3 Promote application of straight fertilizers.
- 3.4 Promote manufacturing fertilizers using locally available raw materials.

4. Pesticides

- 4.1 Minimize the use of synthetic pesticides through promoting bio-pesticides and Integrated Pest Management (IPM).
- 4.2 Provide adequate institutional and infra-structural facilities to operate pesticide regulatory system effectively in conformity with the Food and Agriculture Organization (FAO) international code of conduct on the distribution and use of pesticides in order to minimize associated health and environmental risks.
- 4.3 Promote the production and use of environmental friendly bio-pesticides with public and private sector participation.
- 4.4 Strictly adhere to plant protection regulations to prevent alien weeds, insect pests and diseases from entering the country.

5. Agricultural Machinery

- 5.1 Provide low cost, quality machinery by encouraging the public and private sectors to develop and manufacture agricultural machinery, with appropriate technology applicable to the agricultural sector.
- 5.2 Promote mechanization to make agriculture more efficient and cost effective.

6. Irrigation and Water Management

- 6.1 Encourage the use of efficient water management and moisture retention techniques to achieve high productivity in agriculture.
- 6.2 Conserve the existing water resources for sustainable agricultural development.
- 6.3 Improve efficiency of rain-fed agriculture through water harvesting, mulching and other appropriate techniques.
- 6.4 Promote participatory irrigation management in maintaining and improving irrigation and drainage systems.
- 6.5 Safeguard irrigation reservoirs, canals, drainage systems and other structures from damage by natural calamities and usage.

7. Land Use

- 7.1 Adhere to the National Land Use Policy in allocating land for cultivation purposes.
- 7.2 Promote maximum use of degraded, barren, infertile and lands under shifting cultivation (Chena) to ensure higher productivity and idle lands to be used for crop/forest cultivation and animal husbandry.

8. Soil Conservation

- 8.1 Enforce implementation of the provisions of the Soil Conservation Act to ensure proper soil conservation.
- 8.2 Create awareness among the farming communities on the importance of soil conservation for sustainable agricultural development.

9. Agricultural Credit

- 9.1 Strengthen rural credit institutions connected with farmers' investments, savings and risk management.
- 9.2 Introduce simple procedures in providing loan facilities for agricultural activities and agro based industries.
- 9.3 Ensure availability of credit to farmers at concessionary interest rates.
- 9.4 Establish a mandatory share for agricultural credit in the state bank's overall lending for the benefit of the farming communities.

10. Agricultural Insurance

- 10.1 Introduce appropriate agricultural insurance schemes to protect the farmers from the risks associated with natural calamities.

11. Agricultural Research

- 11.1 Focus agricultural research and development on livelihood improvement and poverty alleviation, achieving food security, enhancing agro-based industries and preparing the agricultural sector to face global challenges.
- 11.2 Use cutting edge technologies such as Bio-technology, Geographical Information System (GIS) technology, pre- and post-harvest technology, nanotechnology for efficient agricultural production and environmental conservation.
- 11.3 Promote problem solving collaborative research with the involvement of the private sector, universities, farmer and producers organizations and other relevant partners.
- 11.4 Promote investment by the private sector in agricultural research and development.
- 11.5 Formulate strategies for quick dissemination of research outputs to end users and avoid technology lag.

12. Agricultural Extension and Education

- 12.1 Reorganize and strengthen existing extension system to disseminate innovation and information to the farming community.
- 12.2 Introduce modern Information Communication Technology (ICT) for effective information dissemination to the farming community.

- 12.3 Ensure active participation of farmers and other community based organizations as partners in the dissemination and use of updated technologies through an effective research and extension linkage.
- 12.4 Redesign and modernize the curricula and courses in the schools of agriculture and other agriculture related training institutes to meet the current and future demands of the agricultural sector.
- 12.5 Provide opportunities for agricultural scientists and farmers to local trainings and foreign trainings for skills development.

13. Post Harvest Technology

- 13.1 Develop and popularize better harvesting, processing, value addition, storage and transport methods to minimize pre and post-harvest losses to improve quality to meet domestic and export market demands.
- 13.2 Enforce sanitary and phytosanitary measures in post-harvest processing and value addition of agricultural products.

14. Marketing

- 14.1 Minimize problems associated with marketing of agricultural products through government intervention as and when necessary for price stabilization.
- 14.2 Promote private sector investment to improve infrastructure facilities necessary for marketing agricultural products.
- 14.3 Explore and promote foreign markets for crops with high export potential.
- 14.4 Encourage product branding, certification and use of geographical indicators for products to enter competitive markets.
- 14.5 Facilitate marketing information dissemination and marketing operations through the establishment of district level agro enterprise centers.
- 14.6 Appropriately align the agricultural sector in the current multi and bilateral trade agreements.
- 14.7 Identify the requirements of agro business enterprises to cater to the needs of small farmers and promote public and private investments in such agro business.
- 14.8 Promote the involvement of producers in agricultural processing and marketing.
- 14.9 Strengthen the supply chain management to develop an efficient agricultural marketing system.

15. Agro-based Industries

- 15.1 Promote agro-based industries and product diversification in collaboration with the private sector.

16. Traditional Agricultural Crops and Methodologies

- 16.1 Foster, preserve and disseminate traditional knowledge in agriculture relating to organic farming, pest control, and preservation and processing of food for nutritional and medicinal purposes and facilitate exchange such knowledge among the farming communities.

17. Home Gardening

- 17.1 Promote home gardening and urban agriculture to enhance household nutrition and income.
- 17.2 Promote women's participation in home gardening for enhancing family nutrition.

18. Investment in Agriculture

- 18.1 State to invest adequately on the agricultural sector for its rapid and sustainable growth.
- 18.2 Encourage private sector investments particularly in areas of seed and planting material production, agricultural research and development, human resources development, postharvest management, marketing, export promotion and agricultural entrepreneurship.

19. Institutional Development

- 19.1 Develop mechanisms for coordination among government and provincial council institutions involved in agriculture and related activities.
- 19.2 Ensure active involvement of all community based organizations (CBO) in agricultural development and strengthen the same.

20. Utilization and Sharing of Plant Genetic Resources

- 20.1 Collect and conserve crop varieties and their wild relatives for future crop breeding and improvement programme.
- 20.2 Develop and maintain diverse farming systems for ex-situ conservation of crop genetic resources.
- 20.3 Use farmer participatory breeding methods for utilization of crop genetic resources.
- 20.4 Adopt suitable strategies to preserve national identity on utilization and sharing of benefits of genetic resources with other countries through international treaties.

21. Youth Involvement in Agriculture

- 21.1 Promote Youth Organizations for active participation of youth in agriculture and related ventures.
- 21.2 Promote high value crops and agro-based small and medium scale industries for enhancing rural employment generation and youth involvement in the sector.
- 21.3 Provide concessions and rewards to young entrepreneurs for promoting agriculture and related industries.

22. Agricultural Exports

- 22.1 Facilitate promoting all forms of agro based exports.
- 22.2 Establish coordination mechanisms among governmental institutions and agriculture producers, marketers and the trade sector, to promote agricultural exports.

22.3 Establish food safety and quality assurance mechanisms for crops with export potential that could meet international food safety standards.

ASSOCIATION ACTIVITIES DURING THE PERIOD UNDER REVIEW;

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.

- A.** The following key issues confronting growers of Fruits and Vegetables, particularly those of the Members of this association focusing on Export Markets were taken up with the several government institutions.

1. Meeting with the Director General of the Agriculture Department and the Agriculture Government Officials- 05th December 2018 at NPQS Katunayake

1. Grading of Exporters - Exporters will be graded into 4 categories based on the marks given by an evaluation committee/ NPQS.

75-100 points – A

60-75 points -B

59-60 points – C

<59 – D

Based on the above categories, priority clearance, checking will be granted. There will be regular evaluation of the exporters and every attempt will be made to bring the exporter to the highest category.

2. E-phyto project - Phyto certificates will be issued electronically in the near future and will be linked with both customs and importing countries systems. E-signatures and e-payments will be enabled.

3. KOICA project – A \$6m project is ongoing to modernize plant quarantine service and enhance export competitiveness and plant quarantine capacity.

4. IPPC project – The China South-South Cooperation Programme – IPPC phytosanitary capacity evaluation, demonstration of the Chinese technologies and products on plant health in the pilot site, in particular on the management of the fruit flies in mango.

5. Improvement of plant quarantine treatments – alternatives for MBr, Gamma Radiation Treatment, VHT treatment standards, plant pest surveillance, DNA barcoding to identify pests

A subsequent discussion was taken place to address the questions of the participants.

- a. A request was made to control mealy bug issues in mangosteen and rambutan. NPQS will consider introducing a program for this.
- b. DOA is developing a program called croplook.net to provide information every two weeks on farmer cultivation activities.

- c. A request was made to make available MD2 variety pineapple for export.
- d. It was noted that no pesticide residue analysis facility is available in Sri Lanka for EU codex pesticides and the cost of sending to Germany or India is high.
- e. Request for facilitation of high tech agri-systems including lighting to be imported under duty waiver.
- f. Import of seed for own use without ISTA certificate is not yet implemented.
- g. DOA plans to provide assistance next year for high-tech intensive green-house cultivation, with the hope of increasing yield of crops and provide farmers with higher income levels.

2. Meeting to discuss remedial proposals to mitigate the negative impact on exports/ investments caused by the recent Easter Sunday Attack – 03rd June 2019 at EDB

The above meeting was held subsequent to a meeting held on 28 May 2019. The Association was represented by the Chairman. The discussions was based on the necessity for implementation of a consolidated mechanism for security clearance of cargo at the premises of the Port to facilitate the business community to overcome the issues faced by the exporters in the context of the security and inspection mechanism implemented by the Authorities. (Sri Lanka Air Force, Airport and Aviation of Sri Lanka (AASL), Sri Lanka Customs and Sri Lanka Ports Authority). The discussion focused on the sensitive cargo (eg: perishables) which creates a negative impact on the export trade.

3. Meeting with Hon. Gamini Jayawickrama Perera, Minister of Buddhasasana & Wayamba Development on 11th March 2019, organized by SLEDB

- The Meeting touched on the topics on the crop plan to avoid over production and to generate a win-win situation for both farmers and the exporters.
- The technical issues confronted by some of the F & V members were also discussed.
- Vegetable seeds can only be imported to grow export crops and to be used only for that purposes. There were no prior consultations before setting this type of conditions.

4. Concerns of the Export Sector – Meeting held on 06th August 2019 at the Ministry of Development Strategies & International Trade

A meeting was convened by Mr. S.T. Kodikara, Secretary to the Ministry of Development Strategies & International Trade (MODSIT) on 06 August 2019, as a follow up of the meeting held with the Committee of Secretaries of MODSIT, Airport & Aviation Services, Ministry of Industry & Commerce and Ministry of Finance held on 20 June 2019.

Resulting from the Easter Sunday attack (28/4), concerns of exporters were submitted (given below) by the Sri Lanka Export Development Board (EDB) for the attention of the above Secretaries.

The following issues were discussed.

- Long cooling time of export containers at the Port of Colombo – Cooling times was reduced from 24hrs to 12hrs. It was requested to reduce the time further from 12hrs to 8hrs at the airport.
- Issue of unloading cargo for verification – SLEDB stated that they have requested to install new scanners at the Port and the Air Cargo Village. Exporters emphasized that the implementation process seems to be slow and a long term process.
- Exporters complained that their cargo were being damaged due to poor ground loading during the rainy season. Exporters had requested that necessary preventive steps be taken to avoid their cargo being damaged. It was agreed to have ramp and a plastic cover in the cargo unloading area within 3 months.
- The entry of unauthorized personnel to the Air Cargo Village was also highlighted. To resolve this issue, it was suggested to enhance the security operations.

5. Inter-Ministerial Co-ordination Committee - to facilitate private sector engaged in agriculture – Meeting held on 30th July 2019 at the Ministry of Agriculture –

The Ministry of Agriculture, Livestock Development, Irrigation and Fisheries and Aquatic Resources Development has forwarded a cabinet memorandum on establishment of Inter-Ministerial Co-ordination Committee to facilitate private sector engaged in agriculture. Approval were granted for the following proposals.

Discussion points were given below:

- **Agri nerve center-** a platform where a digital map is available and information on where to cultivate, what to cultivate is also available. Currently, pilot studies have been in done in districts such as Gampaha with the help of farmers.
- Database of all the farmers to be initiated with a regional crop calendar in place taking into account how much have been produced. Therefore, if there's a shortage, measures can be taken to counter it (food security) and if there's an excess in production it can be absorbed into exports.
- Ministry is also currently underway in implementing an APP so that farmers can be aware of the market prices for the crops by accessing this APP.
- A planned agenda for the year in terms of exhibitions and shows that will take place, so that the private sector has ample time to prepare for these and participate.
- Extension service officers should have an outreach across the country, so that farmer will be educated on excessive use of pesticides and ensuring food safety.

- This can also be used to create awareness on GAP certification so that farmers will also get a premium price on their crops.
 - Research is critical in getting High Yielding Seeds (HYS), if not, a mechanism should be in place to provide the farmer with HYS and quality seeds with much variety.
 - For minimum support price, legislation is currently underway
 - In terms of modernization in Agriculture, a mindset change is required. Technology modernization parks are going to be implemented with the support of WB.
 - Attention should also be given to export and processing since they are often being neglected.
- 6. A meeting was convened with the Agri Sector Stakeholders on 26th March 2019 to discuss the issues pertaining to the proposed draft to the protection of new Plant Varieties Act and its consequences for the private companies.**

The following decisions were taken at the meeting;

- To meet the relevant authorities who have contributed to draft the document to discuss their intention of including the above statements.
- To plan out a half-day session inviting the authorities who have framed the draft and other industry stakeholders to have an open forum to clarify their concerns.
- Proposed to organize another meeting DG DOA to raise the above concerns/disadvantages facing by companies/exporters when introducing the proposed amendments to the existing Act.
- A need of establishing a joint forum with all stakeholders to lobby this matter was emphasized.
- To have media publicity to voice out the Companies suggestions for the draft proposal of New Plant Varieties Protection Act.

B. LFVPPEA Submissions for 2019 National Budget

1. Inefficient inspection process for imported raw material imported raw material goes through several inspections from multiple authorities (Health, Customs, Quarantine, Airforce, Immigration) resulting in a cumbersome and lengthy process that can cause raw material to perish.

Specific Proposal:

- Establishment of a powerful, centralized and consolidated boarder control unit in Harbours and Airports that efficiently coordinates the several authorities involved in the inspection process.
- One stop shop.

2. Issues relating to MRL

Specific Proposal:

- Setting up of proper research unit to carry out testing in Sri Lanka.

3. Land which is a vital input in the food production process is a constraining factor to increasing food production due to its limited supply. Increasing the productivity of existing land involves high costs.

(Budget 2018 proposal 118)

Specific Proposal:

- Allow under-utilised government owned lands to be used for agricultural activities in a rational manner.

4. Poor storage/refrigeration facilities available at the airport and long delays due to airport checks compromises the quality of food products exported from Sri Lanka and increases their perishability. This results in increased costs for domestic exporters in terms of dissatisfied foreign customers and lost food stocks.

Specific Proposal:

- The holding duration of exports for security checks to be reduced to 2 hours from the current 6 hours.
- Doing away with outdated manual checks of cargo by the use of technologically advanced scanners.
- Installing cold storage facilities capable of storing food exports, while preserving their quality standards, at airports.

C. Projects

1) Project No: 1 – Component I

Feasibility study for value addition in the fruit & vegetable sector of Sri Lanka.

Project STDF/PPG/576 – Funded by the Standards and Trade Development Facility (STDF)

BACKGROUND OF THE PROJECT

The International Trade Centre (ITC), in partnership with the Lanka Fruit and Vegetable Producers, Processors and Exporters Association (LFVPPEA) was implementing a project preparatory grant (PPG) to develop:

(i) A feasibility study for value addition to evaluate the economic, technical, and operational feasibility of value addition of five export crops: pineapple, papaya, banana, mango and passion fruit (component I), and

(ii) A strategic plan for LFVPPEA (component II).

The project was funded by the Standards and Trade Development Facility (STDF) and ended by March 2019.

Since a number of national and international initiatives, including the development of a National Export Strategy for processed food, are underway to develop the F&V sector in Sri Lanka, the feasibility study shall synergize with them and increase the likelihood that the findings and recommendations of the study will be picked-up and implemented.

The International Consultant S.N. Venkat Prahlad on value addition had been worked alongside with the National Consultant on Sanitary and Phytosanitary Measures who would collected data, analyzed and completed the feasibility study in particular regarding SPS measures and with representatives of world-class agribusiness companies.

Component I and Component II were interlinked and respective experts would have contributed with inputs and data for complementarities.

The assignment foresees two missions to Sri Lanka. The study was led by S.N. Venkat Prahlad, an International Consultant who has experience in carrying out value chain assessment studies in the agriculture space from Farm to Fork and by Dr. Shanthi Wilson, the National Consultant, with years of experience on Sanitary and Phytosanitary measures. Both were traveled in the growing regions and collected data, analyzed and prepared a report for the study. This was a study on Mission carried out on Pineapple. Passion fruit, Papaya and Mango. Banana had been analyzed during Mission2.

STDF/PPG/576 – Noberasco & ITC Mission to Sri Lanka

The Association has exchanged the agreement with Noberasco to take the project forward. At the request made by Nobereasco, the samples of the requested products taken from CBL (Pvt) Ltd and Expolanka (Pvt) Ltd were shared with Noberasco for further testing. At the initial stage CBL and Expolanka have joined with Noberesco.

Noberasco is interested in the following products;

Fruits

- Organic Dried Banana (seeni/sugar variety) Coins
- Organic Dried Banana (seeni/sugar variety) Halves
- Organic Dried Pineapple (Mauritius variety) Rings
- Organic Dried Pineapple (Mauritius variety) Tidbits
- Organic Dried Papaya (red lady variety) Strips
- Organic Dried Mango Strips – seasonal
- Organic Dried Pineapple Rings/Tidbits
- Organic Banana Coins

Other

- Organic Dried Mango Chunks
- Organic Dried Mango Slices
- Organic Coconut Slices

Lanka Fruit and Vegetable Producer, Processors, and Exporter Association (LFVPPEA) opens up opportunities for value addition of fruits and vegetables

LFVPPEA has taken a leading role in the development of the F&V sector since 2013 when a project funded by the Standards and Trade Development Facility (STDF) implemented by the International Trade Centre (ITC) with the Ceylon Chambers of Commerce and LFVPPEA improved compliance of the fresh F&V from Sri Lanka with quality and food safety requirements. Following within the framework of another project, funded by the STDF and implemented LFVPPEA with ITC, the study and the strategy were developed and partnerships opportunities opened.

The study found that the market for natural (sugar-free and no preservatives) and organic dehydrated product is growing and identified at least five products with potential led by pineapple and mango.

Sri Lanka is challenged from taking advantage of this growth due to limited availability of raw materials, price and a greater need to adhere to Good Agricultural Practices (GAP).

Sri Lanka varieties are very unique and have potential to be positioned as higher quality products for discerning customers for both fresh and processed and in particular dehydrated. This is proved by the establishment of a new partnership with a leading company in Italy in the dehydrated sector, namely Noverasco. After almost three years of engagement and a series of reciprocal visits to Italy and Sri Lanka, Noverasco and the LFVPPEA have signed a Memorandum of Understanding in Colombo on 20 February 2019 at the Residence by Uga Escapes, Colombo 02 to join efforts to take the Sri Lanka brand to the next level.

LFVPPEA is being now making a call to work together to address the challenges and to avail of the full potential of the partnership and the uniqueness of Sri Lanka fruits in the global market place for the benefits of all, from farmers to consumers.

Launch of Sri Lankan Products at Anuga in collaboration with Noverasco

Launch at Anuga Fair by Noverasco4Sri Lanka Products in Collaboration with the Lanka Fruit & Vegetable Producers Processors & Exporters Association (LFVPPEA) was held from 05 -09 October 2019.

1.2) Project No: 1 – Component II

LFVPPEA Strategic Plan -

With the increasing demand for fruits and vegetables both globally and locally, the Association decided to develop a strategic plan to meet the growing challenges of the industry and to restructure its ways of working.

In this context, the Association believes that the key stakeholders in the sector should work towards a unified vision which will ease the progress in reaching the goals of the Association.

To develop the strategic plan of the Association, the following were taken in to consideration,

1. Critically review the Vision, Mission, Values and Objectives and propose any improvements /changes.
2. Present the Environment scan to identify any points to be added.
3. SWOT analysis and identification of key items in SWOT
4. Time permitting Identification of sub-objectives, Strategies.

The Strategic Plan was centred on Four Key Focus Areas:

- Advocacy
- Market and Value Chain Development
- Restructure; and Technology
- Research and Innovation.

The Strategic and Operational Plans and the Budget were presented to the membership at a workshop jointly organized for Component I & II under the feasibility study for value addition in the Fruit and Vegetable sector in Sri Lanka on the 27th Of October 2018.

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

Exporters Association of Sri Lanka

- Mr. S. Gnanaskandan

National Agribusiness Council

- Mr. Annes Junaid
- Mr. Hafeel Yakooob

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

Exporters' Forum, Organised by Sri Lanka Export Development Board

- Mr. Annes Junaid
- 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

Following a series of discussions, the Association had with Nobersaco and visits a MOU was signed between LFVPPEA and Nobersaco on 20 February 2019.



Mr. Zuraish Hashim, Chairman of LFVPPEA and Mr. Benedetto Nobersaco, Purchasing Manager of Nobersaco exchanged the MOU

FEASIBILITY STUDY FOR THE VALUE ADDITION IN THE FRUIT AND VEGETABLE SECTOR OF SRI LANKA (STDF/PPG/576)

The Lanka Fruit and Vegetable Producer, Processors, and Exporter Association (LFVPPEA) opens up opportunities for value-addition of fruits and vegetables by educating the sector and providing support to compete in the global market. fruits such as mango, pineapple papaya, passion fruit and banana are given high consideration in the process of value addition. They are export oriented products which should focus on increased output to meet growing global demand. Advanced technology will be used for dehydration of fruits to preserve them for a longer time and reduce wastage.

The findings of a feasibility study for value addition and a strategic plan for LFVPPEA was presented to stakeholders by Mr. Venkat Prahlad, Dr. Shanthi Wilson and Mrs. Gayathri Gunaruwan at a workshop organised by the Association on 26th February 2019 at the Renuka City Hotel, Colombo 03.

More than 40 stakeholders from the private and public sectors, development partners, buyers, international experts gathered together to discuss the findings and create opportunities for working together, and to address the challenges in an inclusive way. Wide publicity coverage was given on the workshop through the electronic and print media



Presentation of Consultant's Report:



**Mr. Zuraish Hashim, Chairman
LFVPPEA**



**Mr. Suresh Ellawala, 2nd Vice Chairman
LFVPPEA**



Dr.



Shanthi Wilson
National Consultant to Study



Mr. Venkat Prahlad
International Consultant to Study



Ms. Ludovica Ghizzoni
Advisor on Export Quality Management, ITC

Participants:



MARKET INFORMATION REPORT & WEB SITE

You can now browse your association web on: www.lankafruits.com. The Association website will be interfaced with the SLEDB site for more exposure. In addition sector related information and market updates can be viewed at <http://spssrilanka.lk>

MEETINGS OF THE EXECUTIVE COMMITTEE

Since of the last AGM up to October 2018, the Executive Committee of the Association has met on 12 occasions.

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

1	Development Interplan (Ceylon) Ltd.	10
2	CBL Natural Foods (Pvt) Ltd.	7
3	Expo Lanka (Pvt) Ltd.	4
4	C R Exports (Pvt) Ltd.	7
5	Eastern & Allied Agencies (Pvt) Ltd.	7
6	Nidro Supply (Pvt) Ltd.	7
7	Jagro (Pvt) Ltd.	11
8	Transgrow (Pvt) Ltd.	10
9	Aitken Spence Exports (Pvt) Ltd.	9
10	Dilarshad Enterprises	12
11	Gulf International Maritime (Pvt) Ltd.	4
12	Serene International (Pvt) Ltd.	7
13	Ellawala Horticulture (Pvt) Ltd.	8
14	H J S Condiments	5
15	Vegiland Exports	0
16	Nelna Agri Business	8
17	Alwis Agro Exports (Pvt) Ltd	1

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	Value in US\$ - US Dollars Millions										% Avg. Growth
		2009 Value	2010 Value	2011 Value	2012 Value	2013 Value	2014 Value	2015 Value	2016 Value	2017 Value	2018 Value	
S.0402	Vegetables											
S.040201	Onions	0.02	0.08	0.24	0.06	0.14	0.05	0.04	0.06	0.10	0.12	5.50
S.040202	Tomato	0.01	-	-	0.10	0.03	0.02	-	0.01	0.20	0.01	36.15
S.040203	Garlic	0.03	0.03	0.04	0.01	0.03	0.05	0.02	0.10	0.03	...	-9.59
S.040205	Carrots	-	0.01	-	-	0.03	-	-	0.01	0.01	0.04	48.00
S.040206	Potatoes	-	0.01	0.01	0.07	-	-	-	-	-	-	-22.68
S.040207	Sweet Potatoes	-	0.01	0.01	0.01	-	0.01	0.01	0.03	0.04	0.04	27.55
S.040208	Gherkins	0.55	0.52	0.46	0.49	0.90	1.36	0.93	0.89	0.71	1.23	9.15
S.040209	Mushroom	0.58	0.78	0.51	0.94	2.51	1.76	1.49	1.42	1.72	2.12	14.10
S.040210	Manioc	2.05	1.29	2.89	1.39	1.66	2.49	2.88	3.26	2.76	2.95	7.18
S.040211	Kiri Ala	0.53	0.38	0.51	0.43	0.37	0.44	0.36	0.33	0.25	0.23	-7.91
S.040212	Chillies	0.73	0.68	0.87	0.86	0.87	1.00	0.95	1.28	1.37	1.46	8.20
S.040213	Turmeric	0.12	0.11	0.28	0.19	0.31	0.45	0.40	0.50	0.67	0.63	20.02
S.040214	Ginger	0.34	0.42	1.38	0.95	0.22	0.54	0.54	0.89	0.62	0.76	4.18
S.040299	Other Vegetables	7.09	12.00	11.35	9.56	12.63	16.57	17.70	14.96	19.77	19.01	9.62
	Sub Total- Vegetables	12.05	16.32	18.55	15.06	19.70	24.74	25.32	23.74	28.25	28.60	8.87
S.0403	Fruits											
S.040301	Pineapples	1.69	1.83	1.80	1.52	2.96	4.91	5.06	3.96	5.03	2.77	11.85
S.040302	Tamarind	0.11	0.20	0.20	0.57	0.10	0.55	0.08	0.18	0.38	2.29	16.39
S.040303	Goraka (Garzenia)	1.44	1.90	1.98	2.55	7.42	8.07	4.29	2.33	1.95	0.35	-6.07
S.040304	Bananas	1.11	1.95	4.08	6.38	8.45	16.50	15.86	16.33	16.84	14.93	29.60
S.040305	Lemons	1.27	1.34	0.97	0.35	0.36	0.64	0.76	0.13	0.65	0.75	-10.38
S.040306	Melons & Papayas	0.47	0.62	0.74	0.80	1.16	1.87	1.93	2.54	3.64	3.74	24.52
S.040399	Other Fruits	6.19	8.36	7.60	5.97	8.74	11.77	10.14	9.31	13.42	15.12	8.64
	Sub Total- Fruits	12.28	16.20	17.37	18.14	29.19	44.31	38.12	34.78	41.91	39.95	14.17
S.0404	Cut Flowers and Foliage											

AUDITORS

RN Associates was elected as the Auditors of the Association. The Audited statements of the Accounts of the Association for the period 2018-2019 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 Chairperson, 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