

### **1.2.2 TEA**

Tea which is the major export crop is grown on approximately 200,000 hectares of land representing 3.0% of the total land area. In 1999 it contributed 1.3% of the Gross National Product and accounted for 7.5% of the contribution made by the agricultural sector to the GNP<sup>21</sup> In the same year it also accounted for 16.0% of the country's total export earnings and 72.0% the export earnings from agriculture. This made tea the second largest earner of foreign exchange in the country behind textiles and garments.

Tea is found at elevations ranging from 100 meters above sea level to well over 2,000 meters above sea level. Lands lying between 100 m 300 m are categorized as low country tea, lands between 300 m 1,000 m as mid-country tea and lands above 1,000 m as up country tea.

<sup>19</sup> Agriculture Division - Department of Census & Statistics

<sup>20</sup> Mahaweli Statistical Handbook 1998 - Planning and Monitoring Unit,  
Mahaweli Authority of Sri Lanka

<sup>21</sup> Central Bank of Sri Lanka - Annual Report 1999

Tea cultivation takes place both on large estates and small holdings. In 1994, 56.0% of the area under tea was under large estates and 44.0% under small holdings. The extents under estates and small holdings according to elevation are given below.<sup>22</sup>

	Small Holdings		Estates		Total	
	Extent		Extent		Extent	
	(HA)	%	(HA)	%	(HA)	%
Up Country	3,726	44.9	48,546	45.78	52,272	27.66
Mid Country	23,128	27.89	33,735	31.81	56,863	30.09
Low Country			23,766	22.41	79,836	42.25
Total	882,924	100.00	106,047	100.00	188,971	100.0

#### **TEA· CHANGES IN EXTENT: 1983·1994**

The changes that took place between 1983 and 1994 in the extents under estates and small holdings are given in Table IV. The figures show that two significant changes took place during the period (a) the area under estates decreased and (b) the area under small holdings increased.

#### **ESTATES**

The area under estates decreased by nearly 34,000 hectares. All of the districts recorded losses with the exception of Galle and Matara districts which recorded relatively small increases.

The bulk of the abandoned tea lands was from the mid-country areas, where a substantial extent of tea land had become marginally productive over the years due to the ageing of plants, soil erosion, decline in tea prices and poor management. These economically non-viable lands have been gradually taken out of tea and turned over to other uses.

Some lands have been converted into forest plantations and new settlements, while others have been given over to low intensity uses such as "sparsely used annual crop land" grass or scrublands.<sup>23</sup>

<sup>22</sup> Tea Land Survey of Tea Small Holdings and State Owned Estates in Sri Lanka 1994/95.

Tea Commissioner's Division of the Sri Lanka Tea Board.

<sup>23</sup> White Roger, S.B. Adikari and Ben Messer - "Land Use Change in the Upper Mahaweli Catchment" The Sri Lanka Forester, Special Issue 1995.

## **SMALL HOLDINGS**

The extent under small holdings increased by almost 15,500 hectares.

Large increases took place in the Ratnapura, Galle, Matara and Kalutara districts while marginal increases took place in the Nuwara Eliya, Badulla, Hambantota and Moneragala districts. It is noteworthy that much of this expansion took place in the low country areas presumably reflecting both a response to the increased demand and better prices for low country teas and the availability of more fertile land in these areas.

A significant decrease took place in the Kandy District while marginal decreases were recorded in the Colombo, Kegalle, Matale and Kurunegala districts. The contraction in acreage within the Kandy District, probably reflects the general withdrawal of tea cultivation from the economically non-viable lands in the mid-country.

## **TEA - CHANGES IN PRODUCTION**

Despite the net decrease in the extent of tea lands by approximately 18,000 hectares (8.8% between 1983 and 1994, tea production continued to expand. The production which stood at approximately 179.2 Metric tons in 1983 increased to 242,000 Metric tons in 1994.<sup>24</sup> During the same period the value of tea exports also increased from 8.3 Million Rupees to 21.0 Million Rupees.<sup>25</sup> This increase in production and exports reflected in part, an increase in productivity due to the shift from seedling tea to higher yielding vegetatively propagated varieties, and in part, the extension of the area under low country tea.

### **1.2.3 RUBBER**

Rubber, another of the major export crops is grown on approximately 171,000 hectares representing 2.5% of the land area. In 1999 it contributed 0.4% to the Gross National Product and accounted for 2.6% of the contribution made by the agricultural sector towards the GNP. <sup>26</sup> In the same year it also accounted for approximately 1.0% of the total export earnings and 3.5% of the export earnings from agriculture.

Rubber is grown in the wet and intermediate zones on land varying from fiat to very steep elevations ranging from sea level to 300 meters above sea level., Production takes place both on small holdings and estates. In 1983 the latest year for which information is available, 35.0% of the area under rubber was under small holdings and 65.0% under estates. The size class distribution of rubber holdings in 1982 is given beiw.<sup>27</sup>

<sup>24</sup> Plantation Sector Statistical Pocket Book - 2000 - Planning & Development Division, Ministry of Plantation Industries

<sup>25</sup> Ibid

<sup>26</sup> Central Bank of Sri Lanka, Annual Report 1999.

<sup>27</sup> Sri Lanka Census of Agriculture 1982, General Report.

Size Class	No. of Holdings		Extent (HA)	
	No.	%	No.	%
Less than 4	57,400	87.9	39,761	23.2
4 to less than 8	5,537	8.5	19,031	11.1
8 to less than 40	1,726	2.6	21,760	12.7
40 hectares and above	632	1.0	90,576	53.0
Total	65,295	100.0	171,128	100.0

### **RUBBER - CHANGES IN EXTENT: 1982 -1993**

The changes in the extents under rubber between 1982 and 1993 are given in Table V. The figures show that the area under rubber which stood at approximately 171,000 hectares in 1982 had decreased to approximately 161,000 hectares by 1993; a decline of nearly 6.0% over the 10 year period.

All of the rubber growing districts suffered losses with the exception of Gampaha, Ratnapura and Kegalle districts which recorded small increases. The biggest losses were incurred in the Kalutara, Galle, Matara and Matale districts which together accounted for almost 90% of the extent lost to rubber cultivation.

The absence of data precludes the assessment of the extents withdrawn in the two sectors, Le. estates and small holdings, but it is likely that a significant proportion of the land abandoned was in the small holdings sector, because declining profits and the high cost of replanting often encourage small holders to turn over their lands to other users or sell them to developers.

The general decrease that took place in the extents under rubber during the period was related to a number of factors.

### 1. The rising costs of production.

The cost of production per kilogram of rubber on estates and small holdings between 1986 and 1992 for example, increased by Rs.13.00 and Rs. 10.00 respectively.<sup>28</sup> In 1986 the cost of producing a kilogram of rubber amounted to Rs. 20.25 in the estate sector and Rs. 17.83 in the small holdings sector; by 1993, the cost had increased to Rs. 39.25 in the estate sector and Rs. 23.00 in the small holdings sector.

<sup>28</sup> Plantation Sector Statistical Pocket Book - 1999. ; Planning and Development Division, Ministry of Public Administration, Home Affairs and Plantation Industries.

## 2. Low prices for rubber

The low prices for rubber made it difficult for producers, particularly the small holders to meet the rising costs of production. The slow increases in the prices of rubber between 1983 and 1992 can be seen from the figures given below<sup>29</sup>

	RSS1	RSS2	RSS3	RSS4	RSS5
	(Rupees per Kilogram)				
1983	14.66	14.16	13.73	13.19	12.48
1992	29.28	28.89	28.53	28.06	27.68
<b>Increase</b>					
<b>1983-92</b>	14.62	14.73	14.80	14.87	15.20

## 3. Low Yields

The production per hectare remained relatively low particularly on small holdings. The average yield amounted to 700 Kg/Ha at the small holder level compared to 900 Kg/Ha on estates.<sup>30</sup> The lower yields in small holder areas has been attributed to the traditional practice of using low input systems of production, the planting of low yielding varieties, presence of old and unproductive trees and low labour productivity.<sup>31</sup>

#### 4. Crop Diversification

The low prices for rubber, the increasing costs of production and the higher prices for other crops encourage rubber producer's particularly small holders to give up rubber in favour of these crops. <sup>32</sup>.

#### 5. Land alienation programmes

The Government started a number of village expansion programmes during this period in the wet and intermediate zones. A part of the demand for this land has been met by rubber lands <sup>33</sup>

<sup>29</sup> Plantation Sector Statistical Pocket Book - 1999; Planning & Development Division, Ministry of Public Administration, Home Affairs & Plantation Industries.

<sup>30</sup> Herath P.H.M.U. "Smallholder and estate level rubber growers: An Economic definition.

Bulletin of the Rubber Research Institute of Sri Lanka, v0131, 1977

<sup>31</sup> Ibid 32 Tillekeratne L.M.R. - Strategies for Regaining Reputation for Sri Lankan Rubber" Bulletin of the Rubber Research Institute of Sri Lanka, Vol. 32, NO.1.

<sup>33</sup> Ibid

## 6. The demand for land from non-agricultural users

The expansion in population and the increase in manufacturing activities and services have led to an increase in the demands for land for such users. Small holders therefore have found it more profitable to sell their lands rather than replant them.

### **RUBBER· CHANGES IN PRODUCTION: 1983 - 1993**

Unlike in the case of tea where production increased despite a decrease in the extent under cultivation, in the case of rubber there was a parallel decline in production. Rubber production which stood at 140,000 Metric tons in 1983 declined to 104,000 Metric tons in 1993.<sup>34</sup> Likewise the exports of rubber also declined from 126, 000 Metric tons in 1983 to approximately 70,000 Metric tons in 1993.<sup>35</sup> The drop in production has been attributed to the decrease in the planted extent, the lowering of yields even on estates, poor management of estates and the interruption of tapping by rains.<sup>36</sup>

### **1.2.4 COCONUT**

Co.conut, the third major export crop is grown on approximately 440,000 hectares<sup>37</sup> representing nearly 7.0% of the total land area. In 1999 it contributed almost 2.0% towards the Gross National Product and accounted for a little over 10.0% of the contribution made by the agricultural sector towards the GNP. In the same year coconut products contributed 2.0% towards the country's export earnings form agriculture.

Coconut is grown in all of the districts, but the (bulk 64.0%) is to be found in the districts of Gampaha, Kurunegala and Puttalam constituting what is commonly referred to as the "Coconut Triangle". A little over 10.0% of the area under coconut, comprises scattered trees; the balance is grown systematically both on small holdings and estates. In 1983, the latest year for which information is available 75.0% of the coconut lands were in small holdings; only 25.0% represented estates. The size class distribution of coconut holdings is given below.

<sup>34</sup> Plantation Sector Statistical Pocket Book - 1994, Planning Div., Ministry of Public Administration, Parliamentary Affairs & Plantation Industries

<sup>35</sup> Ibid

<sup>36</sup> Tillekeratne L.M.K. - Strategies for Regaining Reputation for Sri Lankan Rubber Bulletin of the Rubber Research Institute of Sri Lanka, vol. 32, NO.1

<sup>37</sup> Census of Agriculture 1982

Size Class (Ha)	Number of Holdings		Extent (Ha)	
	No.	%	No.	%
	Less than 2	607,705	86.27	191,672
2 to 8	90,463	12.84	121,290	29.1
8 to 40	5,444	0.77	64,236	15.5
40 hectares and above	836	0.12	38,893	9.4
Total	704,448	100.0	416,091	100.0

### **COCONUT - CHANGES IN EXTENT: 1982 -1993**

The absence of data precludes the analysis of changes in the extent under coconut in all parts of the island; the extents under coconuts for the year 1993 are available only for the districts in the wet zone and 4 districts in the dry zone. i.e. Hambantota, Puttalam, Anuradhapura and Polonnaruwa. The other districts were not covered in the survey of agricultural crops and livestock conducted by the Department of Census and Statistics in 1993. Hence only the changes that took place in the 17 districts covered by the survey are presented here.

### **SCATTERED TREES**

The changes in the extents under scattered trees between 1982 and 1993 are given in Table VI. The figures show that the extent under scattered trees expanded in all of the 17 districts for which information is available. This is to be expected because coconut is a popular crop on homegardens with most landowners growing a few trees for domestic consumption purposes. The expansion however has varied

from district to district. The largest gains occurred in some of the wet zone districts such as Colombo, Gampaha, Kalutara, Ratnapura and Kegalle where there has been a marked increase in homegardens due to an expanding population and in the intermediate zone dry zone districts where settlers in irrigation schemes have been provided with homestead lots.

## **SMALLHOLDINGS AND ESTATES**

The changes in the extents under coconut (excluding scattered trees) between 1982 and 1993 are given in Table VII. The figures show that there have been both gains and losses. Most of the losses took place in the Colombo Metropolitan Region, i.e. Colombo, Gampaha and Kalutara districts (40.0%) and in the coastal districts of Galle and Puttalam (53.0%). It is likely that some of these lands were withdrawn from coconut cultivation due to crop diversification, low prices for coconut, pests and diseases, land disputes and poor management. Perhaps a more important reason has been the demand for land from nonagricultural uses. The expansion in urban population has led to an increase in the demand for housing and other urban services, and the macro-economic policies adopted by successive governments to spur industrialization has led to an upsurge of manufacturing activity in the country. The demand for both types of land has been greatest in the areas around Colombo and in other areas along the western sea board.

## **COCONUT - CHANGES IN PRODUCTION: 1982 -1993**

The volume of coconut production was relatively stable during the period with minor annual fluctuations taking place due to price fluctuations, vagaries of rainfall etc. Despite this stability, the exports of coconut products such as copra, oil and poonac declined during the period, while the exports of fresh nuts expanded rapidly from approximately 9,500 Million nuts in 1982 to 25,000 Million nuts in 1993.<sup>38</sup>

### **1.2.5 MINOR EXPORT CROPS**

Minor export crops consist mainly of beverage crops such as coffee and cocoa, spices such as cinammon, pepper, cardamoms, cloves and nutmeg and other agricultural products such as cashew. The extent under cultivation is relatively small and amounted to only 117, 664 ha in 1999 representing 1.8% of the land area. Yet, in the same year. They contributed 7.0% towards the value of agricultural exports from the country and 43% towards the value of other agricultural exports.<sup>39</sup>

#### **1.2.5.1 BEVERAGES**

(a) **Coffee** - Coffee which is confined mainly to the wet and intermediate zones was grown on approximately 16,000 hectares of land in 1999. Much of the production takes place in the districts of Kandy, Kegalle, Mata/e, Nuwara Eliya, Kurunegala and Gampaha, which together accounted for a little over 80.0% of the area under coffee in 1999. Coffee contributed 0.7% to the value of exports of other agricultural products in 1999.<sup>40</sup>

<sup>38</sup> Plantation Sector Statistical Pocket Book - 2000 - Planning & Development  
Division, Ministry of Public Administration

<sup>39</sup> Central Bank of Sri Lanka, Annual Report 1999

<sup>40</sup> Ibid