

# **COUNTRY REPORT SRI LANKA**



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**AGRO ENTERPRISES DEVELOPMENT  
AND  
FOOD CHAIN MANAGEMENT**



# Introduction

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- Agricultural based economy
- Agriculture plays a dominant role in economy
- Contribution of agriculture to the economy has been declining
- The main reason is the traditional system involved in food production.
- Nobody considered Agriculture as a business



# Why modernized agriculture?

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- Maintain as a profitable business
- Adopt new technology
- Attract young generation to agriculture
- Face the global trend
- Minimize the competitiveness for the limited resources
- Fulfill the customers requirements
- Increase the employment opportunities in the sector
- Increase the income
- Minimize the losses (specially fruits and vegetables)



# High priority areas

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- Food processing and value addition
- Reduce pre and post harvest losses
- Production and cropping systems
- Market promotion and market information
- Introduction and promotion of labor saving machinery in crop production



# Major hindrances

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- Primary stage products
- Some products considered as no value
- Large scale losses
- Seasonal products
- Unawareness on world trend
- Reluctant to adopt new technology

# Basic Requirements for Agro Enterprise



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- Basic information
- Potential market
- Resources (Production, Processing, Marketing, Human, Technical, Financial and Management)
- Competitiveness (To face the competitiveness productivity and quality control must be addressed carefully)
- Supporting Services (Inputs, Credit, Policy recommendations, Regulatory measures and organizations)
- Technical Assistance



# Government support for Agro Enterprise development

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- Provide custom relief or tax rebates
- Provide financial and technical support
- Support specialized research programs
- Support to establish large processing plants
- Provide information
- Provide training
- Support to establish links



# Potential Agro Enterprises

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- Value Added Food production
- Minimize Pre and Post Harvest Losses
- Quality and High Demanding Food Commodity Production in Modern Cropping Systems
- Organic farming
- Seed and Planting Material Production





# Potential Agro Enterprises....

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- Floriculture
  - Mushroom Cultivation
  - Bee Keeping
  - Production of Packaging Materials
  - Agricultural Mechanization



# Present status

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- Has very good potential in agro processing industry
- very insignificant (about 1 %) role in processed food export market.
- Post harvest processing activity is likely to expand
- Private sector perceives the risk of investment in the sector



# Present status.....

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- The policy environment is supportive
- Govt. sector needs to play more active role
- limited knowledge on opportunities
- Most of the exports are primarily primary products
- Post harvest losses for crops are huge



# Present status.....

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- Scientific drying and quality dehydration systems are absent
- Food processing is grouped as home based food processing, intermediate and industrial processing
- large scale private sector organizations engaged farm mechanization activities



# Research & Development

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- Food Research Unit of DOA
- Institute of Post Harvest Technology
- Rice Research and Development Institute of DOA
- Farm Mechanization Research Centre of DOA
- Universities
- Industrial technology Institute



# Standardization

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- The Sri Lanka Standards Bureau (SLS) is responsible for standardization



# Agro Enterprises Development & Information Service (AgEDIS)

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- provide technical assistance in planning and implementation of agro Enterprises to promote public and private partnership for agro enterprises development for agricultural prosperity in the country.

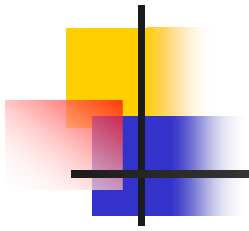


# Functions & services of AgEDIS

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- Collaborate actively with the relevant parties
- Assist in establishing linkages
- Provide information
- Maintain a data base on commodity price in Sri Lanka and in other countries
- Conduct training programmes





**Thank you !**