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Agricultural Policies

Addendum

SRI LANKA

Agricultural Policies in Sri Lanka

The present agricultural policies are governed by the Five-Year Plan - 1972/76. Agriculture has been given very high priority in the Plan for several reasons, the most important of which are as follows:

1. The agricultural sector has the greatest scope for the expansion of output in relation to investment;
2. it has substantial growth possibilities which are not seriously affected by the shortage of foreign exchange;
3. its scope for import substitution are greater than in other sectors;
4. the development of the agricultural sector will increase rural income substantially thereby causing a redistribution of income which is a fundamental objective in the Five-Year Plan; and
5. the unit cost of creating employment in the agricultural sector is less than in other sectors;

The main objectives of the agricultural plan as far as domestic agriculture is concerned are as follows:

- (i) Increasing paddy production to achieve self sufficiency in 1977;
- (ii) increasing sugar output to 50,000 tons by 1976;
- (iii) achieving self sufficiency in chillies and onions;
- (iv) increasing output in crops such as maize, sorghum, soyabean and manioc;

- (v) agricultural diversification with horticultural crops; and
- (vi) achieving import substitution in milk products and increasing the output of livestock for meat products and eggs.

Some of the measures adopted to achieve a successful implementation of the agricultural programme are:

- (a) Introduction of high-yielding varieties of seed;
- (b) encouragement of better cultural practices;
- (c) land reforms;
- (d) issue of subsidized fertilizer;
- (e) introduction of a comprehensive credit scheme;
- (f) selective banning of imports of food items that can be successfully cultivated;
- (g) attractive price incentives;
- (h) creation of effective rural institutions;
- (i) provision of better extension services.

The entire strategy of development of the agricultural sector places heavy emphasis on peasant farming and small holdings agriculture. A shift from mono-crop agriculture to a more diversified cropping pattern is envisaged. The new crops will also create the base for an agro-based industrial sector in the rural areas.

Under the Five-Year Plan the capital investment in the domestic agricultural sector will be about Rs. 1,715 million, of which nearly Rs. 1,000 million will be spent on the provision of irrigation facilities. The number of additional employment to be found in the agricultural sector is about 200,000.

In view of the recent trends in the world food situation, the programme has now been intensified with a view to achieve the targets set in the Five-Year Plan earlier, if possible.