

AGRICULTURE

An Increase in Fertilizer Use

The use of fertilizer during the first nine months of 1985 has recorded an increase when compared to the same period of the previous year. In the 1985 period there was an increase of 7.6 percent or 23,100 metric tons; from 303,400 metric tons in 1984 to 326,537 metric tons, according to the statistics compiled by the National Fertilizer Secretariat. This is the highest recorded amount of fertilizer consumption during the first nine months of any year. Though the percentage increase in use of fertilizer during the first nine months of 1985 is lower than that of the first nine months of 1984, this increase in quantity used is more encouraging since it contributed to the continuing trend in the increase in fertilizer use over a five year period after the considerable decline in fertilizer use to 366,300 metric tons in 1981.

All the crops, other than minor export crops and tobacco, had recorded an increase in use of fertilizer during the 9 months of 1985 compared to the same period of the previous year. In terms of quantity of fertilizer the highest level of increase was recorded in the paddy sector, followed by the tea sector.

Favourable Prices and Weather

The increase in use of fertilizer during the first nine months of 1985 could be mainly attributed to the stability of fertilizer prices where no changes were made after the fertilizer price revision in May 1983. Another important factor contributing to the increase in fertilizer consumption in 1985 was the considerably favourable

weather conditions which prevailed during the period as in the case of the previous year.

However, unlike in the previous year, during the first nine months of 1985 price changes in crop production had not contributed towards the increase of fertilizer consumption since there were declines or only marginal increases in the prices of most of the crops produced during the first nine months of 1984. The disturbed situation in the Northern and Eastern provinces affected the fertilizer distribution system to a great extent and thereby the consumption of fertilizer in these provinces. If the crop prices increased or remained as good as those of the previous year and the ethnic problems did not disturb the demand and supply situation of fertilizer in the Northern and Eastern provinces, overall fertilizer consumption in the island during the first nine months of 1985 would have increased still further.

Paddy

The use of fertilizer in the paddy sector during the first nine months of 1985 has shown an increase of 9.9 percent or 10,282 metric tons; from 104,400 metric tons to 114,700 metric tons in relation to the same period of 1984. It is more interesting that there was a satisfactory increase in the use of fertilizer in the paddy sector despite stagnation of paddy prices and decreases of the area brought under paddy cultivation over the period under review. The guaranteed price of paddy which was revised to Rs. 62.50 in March 1983 was not changed till the end of the period under review. Even in

the open market paddy prices did not change considerably during the period in relation to the same period of the previous year. (See table 2). The area brought under paddy cultivation during the paddy cultivation year 1985 decreased by about 9 percent; from 990,000 hectares in 1984 to 942,000 hectares in the following cultivation year. However, the total amount of fertilizer used in the paddy sector has increased due to the considerable increase in the average volume of fertilizer used per acre during the cultivation year 1985.

Table 2

Paddy Prices Rs Per Bushel (Open Market Prices)	1984	1985
1st Quarter	79.03	83.08
2nd Quarter	75.86	75.12
July	77.59	77.99
August	76.87	77.15

Source: Central Bank of Ceylon

Tea & Rubber

The consumption of fertilizer in the tea sector during the first nine months of 1985 had increased 6.5 percent or 6,600 metric tons, from 101,400 metric tons to 108,000 metric tons in relation to the same period of the previous year. The tea sector has obtained this satisfactory performance inspite of the substantial decline in tea prices (See Table 3).

Table 3

Tea Prices Rs Per Kg (Colombo Auctions)	1984	1985
1st Quarter	62.79	54.11
2nd Quarter	68.56	36.86
July	53.65	34.09
August	56.70	34.87

Source: Central Bank of Ceylon

In the rubber sector fertilizer consumption has increased comparatively by 8.2 percent or 1,600 metric tons from 19,300 to 20,900 metric tons during the first nine months of 1985. The increase in the use of fertilizer in rubber cultivation could be attributed to the satisfactory price levels that existed for this crop in addition to the stability in fertilizer prices and the fairly good weather conditions that prevailed during the period under consideration. During this period there has been only a marginal increase in the rubber crop prices compared to the same period of the previous year (See table 4).

A major part of the tea and rubber plantations in Sri Lanka come under the estate sector. One reason for the better performance of the use of fertilizer in the tea and rubber sectors was the better

Table 1 Use of Fertilizer Among Major Crops During the First Nine Months of 1984 and 1985

Crop	First nine months of 1984	First nine months of 1985	Change	
	in M.T.	in M.T.	in M.T.	in %
Paddy	104,372	114,654	+10,282	+ 9.85
Tea	101,433	108,008	+ 6,575	+ 6.48
Rubber	119,272	20,854	+ 1,582	+ 8.21
Coconut	27,698	28,144	+ 446	+ 1.61
Subsidiary Food				
Crops	11,662	12,598	+ 936	+ 8.03
Minor Export Crops	1,818	1,610	- 208	-11.44
Tobacco	2,612	1,924	- 688	-26.34
Others	34,533	38,747	+ 4,214	+12.20
Total	303,400	326,537	+23,137	+ 7.63

Source: National Fertilizer Secretariat

Table 4
Rubber RSS No. 1 Prices Rs. per Kg (Colombo Market Price)

	1984	1985
1st Quarter	15.77	15.49
2nd Quarter	14.16	16.29
July	12.60	16.42
August	13.71	16.32

Source: Central Bank of Ceylon

levels of plantation management, including better fertilizer application, in estate plantations compared to the small holding plantations in Sri Lanka.

Coconut

The use of fertilizer in the coconut sector has increased marginally during the first nine months of 1985; by 1.6 percent or 400 metric tons from 27,700 metric tons in 1984 to 28,100 metric tons. Coconut prices declined dramatically over the period under review. (See table 5). If coconut prices had not decreased in this way the increase in fertilizer consumption in the coconut sector could have been much higher. During the year 1984, when there was a substantial increase in coconut prices, the highest increase in fertilizer consumption amounting to 38 percent or 14,300 metric tons was recorded in the coconut sector.

Table 5
Coconut (Desiccated) Prices Rs Per Kg (Colombo Market Price)

	1984	1985
1st Quarter	27.65	17.29
2nd Quarter	26.72	15.53
July	27.58	9.59
August	26.44	7.46

Source: Central Bank of Ceylon

Subsidiary Food Crops

Fertilizer consumption in subsidiary food crops which mainly consist of onions, chillies, maize, soya bean, cowpea and greengram had increased by 8 percent or 900 metric tons from 11,700 metric tons to 12,600 metric tons over the period under review. When the acreage under paddy cultivation increases there is a tendency for a decrease in acreage under subsidiary food crops. This trend may be observed in the cultivation year of 1985, which could also be the reason for the decline in fertilizer consumption in subsidiary food crops. In 1984 when the acreage under paddy cultivation increased, consumption of fertilizer in subsidiary food crops had decreased by 9.5 percent.

Minor Export Crops

The use of fertilizer in minor export crops which include cinnamon, cardamom, pepper and cloves had declined by 11.4 percent or 200 metric tons. The use of fertilizer in tobacco cultivation had also decreased by 26.3 percent. This decline in fertilizer

consumption in tobacco cultivation needs to be taken seriously when the 46 percent decline in fertilizer consumption in tobacco cultivation in the previous year (1984) is also considered. The level of fertilizer consumption in other crops, mainly in vegetables, potatoes, fruits and home garden crops has increased by 12.2 percent or 4,200 metric tons.

In order to increase crop productivity it is necessary to adopt a package of measures; among which application of fertilizer to the recommended levels is a very significant one. Since in Sri Lanka yet the levels of fertilizer application in all crops is below the recommended levels there is a considerable scope to increase productivity in all crops by increasing fertilizer application while at the same time also adopting other necessary measures such as better water management, soil conservation, and weed and pest control. H. L.