

COMMODITIES

TEA

Upward trend in prices

Sri Lanka's tea production in January—July 1975 increased by 20,104,406 lbs. compared to the same period in 1974. Exports too recorded a higher figure of 250,983,083 lbs in Jan.—July 1975 compared to 220,304,693 lbs in the same period in 1974. Export values also showed an increase during this period. In 1975 they stood at Rs.1,170,075,391 compared to Rs. 716,070,734 in 1974 for the same period. The FOB value in 1975 (Jan.—July) stood at Rs. 4.66 per lb. compared to Rs. 3.25 per lb. in the comparable period in 1974.

Price trends at the Colombo and London Auctions also showed an increase as shown in the table below:

Colombo Auction: Jan-July (Rs/Kilo)

| | 1974 | 1975 |
|------------|------|------|
| High Grown | 6.59 | 7.10 |
| Mid Grown | 5.64 | 6.58 |
| Low Grown | 6.08 | 7.02 |

London Auction: Jan.—July (£/Kilo)

| | 1974 | 1975 |
|-------------------|-------|-------|
| N. India | 56.83 | 61.81 |
| S. India | 52.52 | 59.58 |
| Sri Lanka | 61.56 | 63.55 |
| African Countries | 59.56 | 61.69 |
| Others | 48.42 | 57.13 |
| All | 58.43 | 61.91 |

Instant Tea Plant in India

A Pilot plant for the manufacture of instant tea is to be set up at Jorhat (Assam) under the sponsorship of India's Tea Board, Calcutta. It will manufacture instant tea from green tea leaves produced in India's North East region.

RUBBER

Buffer stock scheme

The ANRPC'S Second Sub-Committee meeting on Natural Rubber Price Stabilisation was held in Kuala Lumpur in mid August. Experts from five member countries ended

their talks without reaching final agreement on the proposed international buffer stock scheme. It is reported that it has not been possible to compose the differences of the member countries on the main issues such as the form and the operation of the Buffer Stock and the Supply Rationalisation Scheme. Another meeting of the Sub-Committee is expected to be held shortly.

More exports Less earnings

Exports of rubber during the period under review was higher in quantity as compared with the same period in 1974, but export earnings continued to be lower. RSS One prices continued to maintain a slightly upward trend as compared with the prices at the beginning of the year. Latex crepe and sheet rubber exports were higher in quantity during January - July 1975 as compared with that of the same period in 1974.

RUBBER EXPORTS

| | 1974 | | 1975 | |
|--------------|------------------------------------|---------------------------|------------------------------------|---------------------------|
| | January — July Quantity lbs. | July Value Rs. mln. | January — July Quantity lbs. | July Value Rs. mln. |
| Sole crepe | 6,267,153 | 21.9 | 6,311,456 | 16.8 |
| Latex crepe | 52,533,131 | 164.3 | 59,808,163 | 107.0 |
| Scrap crepe | 19,293,290 | 44.9 | 17,973,430 | 24.3 |
| Sheet rubber | 107,928,932 | 287.2 | 120,403,805 | 198.6 |
| Block rubber | 394,688 | 1.2 | 1,039,724 | 1.6 |
| Total | 186,417,194 | 519.5 | 205,536,578 | 348.3 |

COCOA

The preparatory Committee set up to draft a new international Cocoa Agreement has concluded its sessions in London. This was the last preliminary round of talks before the re-negotiating conference which is scheduled to start in Geneva on September 22nd.

increase in the quantity exported during the month.

Earnings from the export of Coir fibre and fibre products in July 1975 at Rs. 6.7 million showed a decrease of Rs. 0.4 million when compared with the previous month. This decrease was due to the marginal drop in the quantity exported.

COCONUT

Indonesia lifts Copra Export Ban

According to Reuter reports the Indonesian Government has decided to lift the ban on Copra exports

Export Approvals

The total value of the exports approved by the Coconut Marketing Board for August 1975 was Rs. 45.1 million as against Rs. 68.8 million in the same month of 1974.

The total value of the exports approved for the period January-August 1975 amounted to Rs. 335.8 million as against Rs. 364.8 million for the same period last year.

The total volume of kernel products approved (Copra, Coconut oil, D.C. & Fresh Nuts) during January-August 1975 amounted to 580 million nuts equivalent as against 304 million during the corresponding period last year. This represents an increase of 276 million nuts or 91 per cent.

International Prices

Average London market prices of Copra, Coconut oil, D.C. and Fibre were hardly altered during the month of August.

SPICES

Export earnings from spices during the first seven months of the year at Rs. 36.5 mln. were lower by Rs. 11.1 mln. as against the same period in 1974. Exports of cinnamon quills and chips during the period under review continued to be at a much lower levels as compared with the corresponding period last year. Imports into Mexico the main single market for Sri Lanka cinnamon during January—July 1975 was only a third of the quantity imported during the same period in the previous year. Exports of all spices with the exception of cardamoms were substantially lower both in quantity and in value compared with that of the same period in 1974.

drop is because of the substantial decline in both quantity and value of the exports of Cinnamon leaf oil and Citronella oil, the two major items of essential oil. The only increase is in Nutmeg, oil, which has registered an increase at a lower level.

Sri Lanka-EEC Agreement

Under the Commercial Co-operation agreement signed between Sri Lanka and the European Common Market, Sri Lanka's exports will have easier access to the Community. This five year agreement will come into effect when both sides have completed the technical preparations. Under this agreement the Community is pledged to help Sri Lanka promote and expand its trade with the EEC. The progress will be monitored by a joint commission. The agreement widens the concessions already in force and includes tea, rubber, certain spices, tropical fruits and leather products and Sri Lanka would receive most favoured nation status.

Unctad commodity Stabilisation Plan

The scheme proposed by UNCTAD for commodity stabilisation envisages setting up reserve buffer stock piles of 10 commodities of major interest to developing countries. They are coffee, copra, rubber, tea, tin sugar, cotton, jute and manufactures and hard fibres like sisal. The aim of this programme is to regulate

NATIONALIZATION OF PUBLIC COMPANY ESTATES

The Land Reform Law No. 1 of 1972 covered -

- (i) individually owned lands;
- (ii) lands owned by Private companies as defined in the laws of Sri Lanka; and
- (iii) uncultivated lands belonging to companies other than Private companies (i.e. Public companies)

Thus around 1,000,000 acres came to be declared under the Law among 5000 individuals. Of this acreage about 559,000 acres were vested in the Land Reform Commission. It was reported that about 135,760 acres were tea, 82,944 were rubber and 115,350 acres were coconut, 246 acres were under cocoa, 7,699 acres under cardamom and 774 acres under cinnamon. These lands have now been distributed for management among State institutions, like the Usawasama State Plantations Corporation, Coconut Cultivation Board, Rubber, Research Institute, Land Commission, Livestock Development, Board, Forest Department, Cashew Corporation and among Janawasas, Electoral-level Land Reform cooperatives, MPCS's DDC's and a sizeable acreage has been alienated among villagers — for human settlement and cultivation purposes. The cultivated lands of the Public companies were excluded from the Land Reform Law No. 1 of 1972.

The Land Reform (Amendment) Law of 1975 to be enacted by the National State Assembly of the Sri Lanka Republic provided for the vesting of every estate land *owned or possessed by a public company* in the Land Reform Commission. The management of such estate land, for and on behalf of such company, and such agency house, organisation, or person shall be deemed to be the statutory trustee of such estate land.

On this basis about 370,000 acres of public company cultivated lands are expected to be vested in the Land Reform Commission. Of which about 225,705 acres are tea, 130,869 acres are rubber and 5,779 acres coconut lands.

SPICE EXPORTS

| | 1974 | | 1975 | |
|------------------------------|---------------------|----------------------|---------------------|----------------------|
| | Jan. Quantity Cwts. | July. Value Rs. mln. | Jan. Quantity Cwts. | July. Value Rs. mln. |
| Cinnamon | 83,341 | 32.2 | 44,627 | 22.0 |
| Cardamom | 1,376 | 2.6 | 4,535 | 7.4 |
| Cloves | 8,940 | 9.2 | 2,843 | 5.1 |
| Pepper | 5,039 | 2.5 | 1,888 | 1.2 |
| Nutmeg | 1,896 | 1.1 | 1,254 | 0.8 |
| ESSENTIAL OIL EXPORTS | | | | |
| Cinnamon leaf oil | 1,333 | 3.6 | 573 | 0.9 |
| Cinnamon Bark oil | 11 | 0.4 | 4 | 0.2 |
| Citronella oil | 2,011 | 4.3 | 1,202 | 1.4 |
| Ginger oil | 7 | 0.1 | 1 | 0.05 |
| Cardamom oil | 15 | 0.5 | 3 | 0.03 |
| Clove oil | 10 | 0.2 | — | — |
| Nutmeg oil | 24 | 0.09 | 40 | 0.2 |

Essential Oils

Earnings from Essential Oil exports during the period under review has registered a decrease of Rs. 6.2 mln. as compared with the same period in 1974. This marked

prices and ensure supplies of commodities in an overall integrated scheme. The major sources of financing is expected to be the exporting and importing countries and the oil producing states.