

STRATEGIC THINKING FOR SRI LANKA'S PLANTATION SECTOR

The 50 points were shared by Mr. Dammike Perera, who is pleased to present these concepts to the Strategic Planning Team, the Ministers, and the Secretary of the Plantation Ministry of Sri Lanka on December 28, 2024..

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Dammike Perera

28th December 2024

The Secretary
The Ministry of Plantation Industries
Sethsiripaya Stage 2
Battaramulla

Dear Sir,

STRATEGIC THINKING

Further to the voice and documentary messages shared, please find below some inputs from Mr. Dammike Perera for the consideration of the Strategic Planning Committee of the Ministry.

Mr. Perera has built his conglomerate through data-driven decision-making and embraces emerging knowledge to benchmark global best practices, which is the essential strategy required for the sector & to Sri Lanka.

Unlike in previous years, let this year be a game-changer for the sector by addressing all critical areas, including Human Resource Management, Operations, Engineering, Finance, AI and Marketing.

It is imperative that the Ministry incorporates inputs from value chain management experts, as advocated by the Agri Modernization Project.

We will also share this document with His Excellency Anura Kumara Dissanayake.

Wishing you success in 2025.

Cheers,



D. M. Kobbekaduwe F.I.P.M (SL) Member - CIPM SL, MBA (HRM)
Sustainable Solutions for Perennial Prosperity
The Director,
271/18 Heeressagala Road, Kandy, Sri Lanka 20000
Mobile - +94 77 237 6343 Website - www.vivonta.lk
PV00268369
Email - info@vivonta.lk, dmkobs9@gmail.com

Copies:

Honorable Minister and Deputy Minister of Plantation Industries of Sri Lanka
The President - CTTA
The Director TRI
Dr. Anuradha: DG SLTB

Strategic Plan for Developing the Tea Industry in Sri Lanka (2030 Goal-Oriented)
Vision 2030:

“To make Sri Lanka the global leader in premium tea exports, enhancing sustainability, innovation, and market diversification, targeting an annual export revenue of USD (?) billion by 2030.”

2030 Achievable Goals for Sri Lanka’s Tea Industry:

- Increase annual tea export revenue to USD (?) billion.
- Expand value-added tea exports to represent (?) % of total exports.
- Diversify export markets beyond traditional regions (e.g., Middle East, Russia, EU) into emerging markets (e.g., China, USA).
- Promote Sri Lanka as a global tea tourism hub.
- Enhance sustainability and reduce carbon footprints across the supply chain.

Current Benchmark:

Parameter	Sri Lanka Goal	China Benchmark	Kenya Benchmark	India Benchmark
Export Revenue	\$3 Billion	\$2.2 Billion	\$1.3 Billion	\$1.5 Billion
Value-Added Exports	60%	70%	30%	50%
Key Markets	USA, China, EU	EU, USA	EU, UK	USA, Middle East
Sustainability Focus	100% Rainforest Alliance Certified	Advanced Sustainability Programs	Ethical Certifications	Fair Trade Focus

Requirement: Comprehensive industry and competitor analysis reports from reputable global research organizations such as the World Bank (WB), Asian Development Bank (ADB), International Finance Corporation (IFC), Food and Agriculture Organization (FAO), or similar entities.

50-Point Strategic Action Plan for Sri Lanka's Tea Industry Development

1. Policy and Governance Reform:

1. **Establish a National Tea Industry Development Authority (NTIDA):** Example: The Sri Lanka Tourism Development Authority (SLTDA) has effectively streamlined tourism policies, serving as a model for NTIDA.
2. **Formulate a Tea Industry 2030 Roadmap with annual milestones:** Example: Kenya's Agricultural Sector Transformation and Growth Strategy (ASTGS) set measurable goals for value addition.
3. **Introduce incentives for sustainable tea cultivation practices:** Example: The Indian government's subsidies for organic tea farming.
4. **Streamline regulatory procedures to attract international investments:** Example: Vietnam's success in FDI-driven agricultural growth through simplified regulations.
5. **Implement a Tea Export Quality Certification Framework:** Example: Japan's stringent quality certifications (e.g., JAS) ensure global trust in their Matcha exports.

2. Productivity and Modernization:

6. **Invest in modern tea cultivation technologies and mechanization:** Example: China's use of drone technology for plantation monitoring.
7. **Provide low-interest loans for smallholder farmers to modernize equipment:** Example: Bangladesh's microcredit schemes have boosted smallholder productivity.
8. **Encourage adoption of climate-smart agriculture practices:** Example: Kenya's "climate-smart" tea pilot program that combines reforestation and farming.
9. **Digitize tea plantation monitoring with IoT and AI technologies:** Example: India's Tea Board uses GIS technology for monitoring.
10. **Establish research centers focusing on tea quality and yield improvement:** Example: Japan's National Institute of Tea Science developed advanced tea-breeding techniques.

3. Value Addition and Product Diversification:

11. **Increase production of value-added teas (e.g., organic, herbal blends):** Example: Dilmah's success in the organic and herbal tea market globally.
12. **Develop ready-to-drink (RTD) tea beverages for export markets:** Example: Arizona Tea's global dominance in RTD beverages.

13. **Encourage branding and packaging innovation for high-end markets:**
Example: Twinings' luxurious and eco-friendly packaging approach.
14. **Invest in flavored and wellness teas (e.g., detox teas, immunity teas):**
Example: Lipton's "Immune Support" tea range.
15. **Set up tea extract production facilities for cosmetics and health industries:**
Example: Green tea extracts used by L'Oréal in skincare products.

4. Marketing and Global Branding:

16. **Launch a global campaign: "Pure Ceylon Tea – The Gold Standard":**
Example: New Zealand's "100% Pure" tourism campaign revolutionized its brand globally.
17. **Collaborate with global influencers and chefs to promote Sri Lankan tea:**
Example: Kenya's partnerships with Michelin-star chefs for premium tea promotion.
18. **Establish Ceylon Tea Houses in key international cities:** Example: Starbucks' tea-centric stores (Teavana).
19. **Increase presence in international trade fairs and exhibitions:** Example: China's aggressive presence in the World Tea Expo.
20. **Create a dedicated e-commerce platform for Sri Lankan tea brands:** Example: India's TeaBox offers direct-to-consumer online sales globally.

5. Market Diversification:

21. **Expand to emerging markets: China, USA, and South America:** Example: Brazil's growing demand for premium imported teas.
22. **Negotiate bilateral trade agreements to reduce export tariffs:** Example: Sri Lanka's FTA with Singapore has facilitated trade growth.
23. **Collaborate with global tea associations for joint promotional activities:**
Example: FAO's Intergovernmental Group on Tea.
24. **Identify niche markets for specialty and luxury teas:** Example: Japan's Matcha has carved a niche in luxury teas.
25. **Encourage direct exports, reducing intermediaries:** Example: Rwanda's direct-to-market tea export model.

6. Sustainable and Ethical Practices:

- 26. **Implement a national standard for sustainable tea farming:** Example: Rainforest Alliance certification for Indian tea estates.
- 27. **Achieve 100% Rainforest Alliance, FSC or Fair-Trade certification for plantations:** Example: Kenya's focus on Fair Trade certifications.
- 28. **Reduce carbon footprint through renewable energy adoption in plantations:** Example: Biomass energy in Sri Lankan tea factories.
- 29. **Promote zero-waste policies in tea manufacturing:** Example: Circular economy models in European tea packaging.
- 30. **Create ethical labor practices benchmarks across the industry:** Example: Ethical Tea Partnership's work in improving worker conditions.

7. Innovation and R&D:

- 31. **Increase funding for tea research and innovation centers:** Example: China's National Tea Research Institute.
- 32. **Develop new tea varieties resistant to pests and climate changes:** Example: Assam's drought-resistant tea plants.
- 33. **Partner with international research institutions for knowledge exchange:** Example: Sri Lanka's collaboration with the Tea Research Institute of India.
- 34. **Encourage startups and SMEs to develop innovative tea products:** Example: Startup "Tea Drops" creates dissolvable tea pods.
- 35. **Promote bio-fortified teas with added health benefits:** Example: Kenya's purple tea high in anthocyanins.

8. Tea Tourism:

- 36. **Develop Tea Tourism Zones in key plantation areas (e.g., Nuwara Eliya, Ella):** Example: Darjeeling's tea tourism success.
- 37. **Create tea heritage trails and visitor centers:** Example: Japan's "Tea Roads".
- 38. **Promote luxury tea experiences and stays in plantations:** Example: Scotland's whisky distillery tours adapted to tea.
- 39. **Collaborate with travel influencers to highlight Sri Lankan tea tourism:** Example: Sri Lanka's "So Sri Lanka" campaign.
- 40. **Introduce special visa categories for tea tourists:** Example: Bhutan's focused tourism visa strategy.

9. Education and Skill Development:

- 41. **Establish Tea Industry Training Institutes for farmers and workers:** Example: Kenya's Farmer Field Schools.
- 42. **Conduct regular workshops on sustainable tea cultivation practices:** Example: FAO's sustainable agriculture workshops in India.
- 43. **Develop a Tea Sommelier Certification Program:** Example: Canada's Tea Association Sommelier courses.
- 44. **Create academic partnerships with international universities specializing in tea science:** Example: Japan's Shizuoka University collaborations.
- 45. **Offer scholarships for advanced studies in tea agriculture and management:** Example: India's ICAR scholarships for agricultural research.

10. Financing and Investment:

- 46. **Develop a Tea Industry Development Fund (TIDF):** Example: Rwanda's National Agriculture Export Development Board fund.
- 47. **Attract foreign direct investment (FDI) for tea infrastructure:** Example: Kenya's FDI partnerships with Unilever.
- 48. **Offer tax incentives for new investors in tea manufacturing:** Example: Vietnam's tax holidays for agri-processing industries.
- 49. **Provide insurance schemes for tea farmers against climate-related risks:** Example: India's Pradhan Mantri Fasal Bima Yojana (crop insurance).
- 50. **Promote public-private partnerships (PPP) for infrastructure projects:** Example: Malaysia's PPP model for palm oil development.

Conclusion:

This strategic plan integrates policy reform, technological innovation, global branding, market diversification, and sustainable practices to propel Sri Lanka's tea industry to global competitiveness by 2030. By leveraging partnerships, adopting advanced practices, and enhancing value chains, Sri Lanka can achieve its ambitious export and value-added goals. Strong governance, stakeholder collaboration, and consistent monitoring will ensure the industry's transformation into a sustainable and profitable global leader. We have proposed two important digital marketing concepts such as HMB (herbal medicinal beverage) and CCT (Ceylon Certified Teas – A standard by SLSI)