



## Asian Productivity Organization “The APO in the News”

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### Crisis in plantations – Solutions offered

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It is a secret gone public that the plantation industry has come to a grinding halt in Sri Lanka. However, both the Regional Plantation Companies (RPC) sector and smallholder sector are suffering from different issues stemming from the core problem of high costs. It is shocking that 'high costs' have been perceived as the outcomes of mainly low crops. But in fact, the high costs are due to multiple factors inclusive of underperformance, lack of innovation, less usage of IT/ICT, overlooking alternatives, poor attitude towards process improvements, low levels of motivation, lack of commitment and alike.



BY LALIN I. DE SILVA

The money-makers, middlemen and brokers who make their share irrespective of whether there is rain or sunshine also claim that the predominant issue here is the quality of the product and the lack of demand from consumers. Whilst the leadership of the 'price taking' industry is responsible for not managing 'change' and driving the industry to its grave, the working and retired planters see many golden opportunities in the making not only to turn the industry's fate around but also to make it a large portion of the national economy. That is why these planters humbly offered to start a new journey with "the end in mind", which is very novel in this traditional industry and also proposed a fitting goal of US \$ 10 billion by 2020 from the plantation industry alone.

The high costs of the industry are also due to the low productivity, quality (land, labour, machinery, power) and waste of energy. It is the duty of successful agribusiness managers not to allow a single ray of sunlight to go to waste without being converted into cash. The knowledge on multiple cropping (different percent such as 200,300,400 upwards) or different crop notations is not short of supply in Sri Lanka which gives the opportunity to plant different crops in each land unit as pure crops in full stand. No weedicides will be required as long as sunlight does not reflect onto the ground (cultural weeding). If this process is undertaken effectively, the requirement of chemical fertilizer too can be reduced due to the increase in useful microbial population of bacteria and fungi.

Furthermore, this arrangement will also be useful in managing diseases and retention of soil moisture with soil temperature that are conducive for higher yields. Sri Lanka must focus on an ancestral knowledge base that is widely tested, researched and proven since 2500 years ago rather than copying the ways and means of the west which is of a comparatively younger heritage and lacks holistic approaches. Integrated sustainable agriculture promoted some time back by Upawansa of Kandy and low external inputs and sustainable agriculture (LEISA) promoted by the Netherland are sound examples.

The 'sustainability' aspect which is of paramount importance was neglected when we started harvesting crop based on historic details rather than considering the potential of the plant to produce crop based on healthy levels of plant metabolism (leaf area index and effective sunlight). This knowledge although available to crop science/agriculture graduates painfully remain confined to books due to the under-educated top management, in most instances. Therefore, blaming the market is futile.

### **Not to burden public**

The mid-country livestock training centre with the model farms closer to Maberiyatenna, Digana are some other places that every planter/decision-maker must visit to innovate these concepts. We live in an era where the retention of agricultural talent will gradually become more difficult in time to come. Higher wages are instrumental in the preservation of talent and labour has its price in any economy. Although we have already delayed in taking the required measures, we are still not late to be proactive, even at this latter stage. The employees can brainstorm better ideas since they are the doers and they know the best of solutions to routine issues we face on plantations.

Technically, a company with 3000 employees with an average work experience of 20 years will have 60,000 years of accumulated knowledge. Yet, our managers seem to be disregarding this vast resource base. Practicing Japanese concepts like KAIZEN also could help reduction in waste and improving productivity. Thus, blaming the high costs for the state of the industry and blaring about it will only show the nakedness of our management to the public who will in turn become scared of the management of RPCs. Let us not become an additional burden to the public of our country.

**'SMART PLANTATIONS'  
WITH 'THE END IN MIND'  
IS THE SOLUTION FOR THE  
CURRENT CRISIS OF THE  
INDUSTRY**

Fertilizer plays an important role in agriculture. Using fertilizer without understanding the important role played by soil is useless. There are many types of fertilizers to begin with: nano fertilizer, slow release, organic, control release, liquid and sticks, to name a few. By using fertilizers our aim should be to bridge the gap of nutrient deficiency between the availability of nutrients in the soil and its desired levels. Another role played by the slow release fertilizer alone is to feed the plants when they feel hungry.

When the world agriculture is moving ahead with 'precision agriculture' techniques we are embracing chemical fertilizers with no justice being done to either the soils or to the plant. Is this not absurd? This is another reason why the costs are high. Organic and integrated farming concepts have enough to offer in this direction of animal husbandry and crop production. We are very vulnerable to impending droughts without maintaining a proper soil structure, which can again send our costs through the roof. Yet, what do we do? We blame the employees for high costs.



Tea is the cheapest and healthiest drink in the world although we don't market it that way. In short, what matters is the amount of Theoflavins and Theorubigins available in a cup of tea, which are full of antioxidants. That is the value for money from the consumers' point of view. These chemicals cannot be obtained with poor quality green leaves. If the level of glucose in a tiny drop of blood can be determined with an expenditure of less than Rs.100 per time, can we not develop a meter that will measure the most useful chemical available in green leaves at the time of delivery to the factory and pay the supplier accordingly?

Looking at the huge chunks of iron as machinery anyone walking into any of these factories will perceive the idea that he/she is walking into a museum. These are energy busters and kill efficiency. That observation predetermines the plight we are continuing to be in. This is very sad indeed. Powdered tea extract with predetermined levels of TF and TRs through a reputed laboratory can be a very effective solution to halve the cost of manufacture and get enhanced prices. If Coca-Cola and Nescafe can do it, why not tea?

### **Achieving business excellence**

The above brands positively affect the consumers as well as employees in the organisations. They have achieved a state of business excellence (BE) and most are aware of their work cultures, benefits and also the perks available to the employees. These are some of the best companies to work in the world. It is possible for at least some of the RPCs to get into this group. Thereby, as proposed earlier, 'smart plantations' with 'the end in mind' is the solution for the current crisis of the industry.

Plantation Industries Minister Navin Dissanayake made a huge contribution a few weeks back towards achieving BE along with the Planters' Association and Asian Productivity Organisation in Japan. The CPS salutes everyone who contributed towards this great initiative. None other than Plantation Industries Ministry Secretary Upali Marasingha conducted the programme himself for almost four consecutive days with the officers of the National Productivity Secretariat. They aimed at "achieving business excellence" in the plantation industry. The workshop was conducted via teleconferencing to share similar experiences with Iran, Bangladesh, Vietnam and the Philippines.

The importance of areas such as leadership, strategic planning, customer focus, measurements and analysis in the workforce and operations were discussed at length during the workshop which gave all the participants a wonderful opportunity to look back at some of the underperforming areas in relation to the plantation industry here. We expect the CEOs of dynamic RPCs such as Watawela, Kelanivalley, Kahawatta, Bogawantalawa, Kegalle, Elpitiya and Lalan Agri to lead this initiative in the industry with the "end in mind". We cannot stress this enough. The difference in these CEOs is the global exposure (ability to think big) and high level of quality education they possess comparative to the rest of their counterparts. They have demonstrated the high value of professionalism and we believe that they can create a big impact in the industry.

No industry will move forward without competent employees. It has become quite a challenging task to attract and retain talent in RPC estates and in RPC corporate offices today. Can the RPCs afford high calibre professionals with proven track records today? Low profitability has hit the industry in a vicious cycle. The change must be driven if not managed on their own.

A large number of employees in plantations do come under manual grade employee categories that perform different agricultural tasks such as planting, maintenance and harvesting. They exert a lot of physical energy in employing manual labour thereby need to consume a high calorie diet as a routine. When affordability of such high calorie diets is low, then they tend to get the additional requirement of energy through alcoholic beverages manufactured illicitly, despite its detrimental quality to their health. This confirms the great statement that the leader is a dealer of hope. Plantation managers have to live up to these expectations.

The Budget is now being debated. It is a must that we move away from a service economy to a manufacturing economy if we are serious about narrowing the year-on-year budget deficits. The plantations have a huge role to play in this direction. The duty of the government remains implementing correct policies. One such policy could be the level of competencies that should be mandatory to be a CEO in RPCs. For the prosperity of a country, province, city, plantation or even a home, leadership is a critical factor. The Ceylon Planters' Society awaits suitable opportunities along with some desirous ex-planters and multi-disciplinary professionals to shoulder this enormous task towards US \$10 billion by 2020 from the industry. Some of the solutions for a giant leap forward are stated above. What's next?

**(Lalin I. De Silva is the former Editor of the Ceylon Planters' Society Bulletin)**