

Ceylon Tea: Truly Sri Lankan



The British launched the tea industry in Sri Lanka. Yet, the 'Ceylon Tea' brand has been sustained by the Sri Lankans who work tirelessly to enrich its legacy. Currently, private tea factory and estate owners account for the greater percentage of the production in Sri Lanka (73 per cent). Dr W Jinadasa, Chairman/Managing Director, Andaradeniya Estate speaks about the industry from the perspective of a private owner.

By Keshini de Silva. Assisted by Yomal Senarath-Yapa | **Photography** Menaka Aravinda

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Could you tell us about the entrance of private owners into the Sri Lankan tea industry at a time when the industry was dominated by multi-nationals and foreign owners.
In 1867, James Taylor, a Scotsman, started tea plantations in Loolecondera in Kandy. Initially the tea industry was in the hands of large companies managed by Europeans. It was restricted to the affluent classes, both foreigners and Sri Lankans at the beginning. The average person had limited access to the industry, probably due to a lack of knowledge on the industry.

In terms of the affluent Sri Lankans with the exception of a few, failed to sustain such holdings either due to successive generations being exposed to foreign education, abandoning the inherited land in preference of a lucrative life overseas or due to their own neglect.

It is the new breed of brave and entrepreneurial individuals who have developed their lands into the cultivation of tea that has been sustained to the present day.

Coincidentally, as a natural progression, a number of private tea factory owners of today, are those who have moved up the supply chain from being initially small cultivators or those engaged in business as tea leaf collectors / suppliers to the existing factories.

It was in the 1960s that Mr Victor Ratnayake (MP) from Deniyaya made it possible for Sri Lankans to plant tea in lands of half or quarter of an acre. From then onwards small plantations flourished. At that time there was a small number of private tea factories; the majority consisted of privately owned plantation companies. These factories had a monopoly in the higher elevations. At the time, the plantation corporation and the plantation companies amounted to about 70 – 72 per cent of production; the smallholders accounted for 28 per cent of the industry. However, due to an increased demand for tea produced in the lower elevations of Sri Lanka, the smallholder contribution to total tea production increased.

One factor that propelled the smallholder to success was the assistance given by the private sector, which to-date is responsible for nearly 100 per cent of tea exports from Sri Lanka. The government at the time also initiated a low-interest credit scheme. Further, the Asian Development Fund was established.

Another aspect was that the major plantations and factories were managed remotely from Colombo, which resulted in certain shortcomings. As private owners were based rurally and locally, we were able to understand the expectations of the workers. We were able to assist them directly in a crisis. This gave us an edge.

What was the defining moment for the private owners of the tea industry?
The production of low country tea began to exceed that of upcountry tea due to the demand for its unique liquoring character and taste. It is a tea that suits the modern palate of the Middle Eastern and Russian markets.

How did the private plantation holders and factory owners overcome challenges?
Initially, the produce of private owners were not given much regard at the Colombo Tea Auction. However, this made private owners more determined to succeed. Even in my case, what propelled me towards success was the great hardships we had to face at the time.

Since there were not many factories, the factories soon became very demanding when it came to buying leaf and ensuring quality. During the 1960s, around 95 per

cent of the Tea factories were old-fashioned. Machinery such as colour sorters were introduced only after the 1990s. Before that, colour sorting was done by workers. Private owners took special efforts to develop the tea industry and with the advent of modern machinery too, Ceylon black tea began to fetch better prices.

What sets the private owners apart?
Some of the Regional Plantation Companies were very well managed and were developed. However, there are those, which were merely used to gain profit and have therefore become totally dilapidated today. I also believe they had easy access to resources.

However, our case was different. For example, in my case, I took on a lot of risks. I borrowed huge amounts of funds. Of course, I had the support from my siblings and financial institutions; however access to resources were not as easy. I bravely brought new machinery and invested in innovations. Many factories continue with old machinery; however, the private owners have brought on the change.

> **Given Our Unique Climate, The Ceylon Tea Produced In The Lower Regions Has A Superior Taste When Compared With Many Other Countries.**

We also maintain a good relationship with smallholders plantations as we care for them better than the larger companies in the industry. We provide them with many facilities, from the time the tea is planted. So the smallholders are more favourable towards us.

I believe that we currently have too much competition. Fierce competition for Green Tea leaf, arising mainly due to excessive installed processing capacity, factories are compelled to accept substandard leaf, resulting in low out turn and high percentage of refuse tea, apart from poor end product.

What are your thoughts on the industry at present?
A major concern at the moment is that there are limited new planting and

replanting efforts. In addition, the capacity of factories has reduced by 30-40 per cent. Harvests can be reaped from tea planted as seedlings for upto 50-70 years while Vegetatively Propagated (VP) Tea can be profitably harvested for about 20 years. Therefore, the time has come for about 95 per cent of the plantations to be replanted. However, this is not being done as people cannot bear the cost of replanting, and the rising cost of labour. So there's little opportunity for re-planting, as smallholders will have no income during the replanting process. However, until replanting takes place national productivity will drop. Sri Lanka was the number one among the tea producing countries but in terms of quantity, we have fallen behind the likes of China, India and Kenya. However, our tea has a special, remarkable taste. If we highlight it as a premier product and expand our market, we can achieve much greater heights.

The price for tea is increasing, however production has dropped. Therefore, the authorities must understand this concern and assist smallholders in replanting.

Can you tell us about yourself and your journey?
I am, in fact, a person in the tea industry to reach the top after having started from zero. I however did receive support from my parents and siblings. I started on a bank credit of 10,000 rupees.

On my way to school I used to pass the Andaradeniya estate. The officers were neatly dressed with knee length socks and shoes and I was impressed and hoped to be like them one day. After I finished schooling, I received the opportunity to train at the estate. The custom back in the day was to pay a sum to the estate, however I was able to receive the training for free. After a six month-training I started working for a monthly salary of 100 rupees.

> **The Private Owners Continue To Render A Huge Service To The Country. Considering The Number Of Jobs Created By The Industry And Its Dependents, Without The Tea Industry Sri Lanka Would Be At Crossroads.**

It was through my experience in supplying green leaf to the factory that I

understood the shortcomings in the trade at the time. I worked there for 6 years. I gradually started buying estates and planting tea. The Andaradeniya estate and factory were purchased on a loan I obtained. My ambition was to also develop the industry, especially in my hometown, where I built a new factory. The other factories I own were loss-making factories, which I took under my wing and developed. I am here today because I took risks.

What are your thoughts on the future of Ceylon tea and the Ceylon tea brand?

There are many institutions affiliated with the tea industry; These institutions have much to do for the industry such as provide training to newcomers. We are yet to have a national policy or programmes dedicated to the industry. When governments or the subject minister changes, the industry focus also changes.

It is time that the statutory organisations and other organisations associated with the tea in Sri Lanka identify themselves with the growth sector of the industry viz, mainly the smallholders and the private factories, and extend maximum assistance, by way of concessionary credit lines, fertilizer and re-planting assistance to further enhance the already expanding smallholder sector.Authorities need to consider the contribution made by smallholder/private factory sector of the industry and tailor-make, in consultation with the stakeholders, adopting ‘Down-Top’ approach in place of the ‘Top-Down’ approach adopted at present.

Field improvements are needed towards higher productivity and better returns to the cultivators; even more has to be done to improve the end product by developing processing units, to be fully competitive in the world market where Sri Lanka teas are sold in competition with teas of other origins that have already put in place advanced and modern equipment in their tea producing factories.

Much needs to be done vis-a-vis marketing. There are countries where tea is not consumed. We should try to enter these markets instead of merely concentrating on the same regions.

I believe that we should foster more interest about the tea industry among the

youth. We must re-analyse our export markets. Everyday new health benefits; of tea are being discovered; these must be communicated effectively.

Also there is a shortage of trained personnel in the industry. Previously there was a demand for employment in the tea industry. But now less young people look for jobs in this sector. This has to be reversed.

The private factory owners and small-holders continue to render a huge service to the country. Considering the number of jobs created by the industry and its dependents, Sri Lanka would be at crossroads if not for the tea industry. Therefore, it is my belief that everyone should work hard to develop this industry.

Our leaders have to wake up and comprehend the great potential of our fertile land. We have a rich soil in which almost anything grows

