Palmyrah Industry: Socio-economic Condition and Problems of Stakeholders in North and East

R.L.N. Jayatissa
Sri Vijeindran
A.M. Nilushini

Research Report No: 207 April 2017

Hector Kobbekaduwa Agrarian Research and Training Institute
114, Wijerama Mawatha
Colombo 7
Sri Lanka

EXECUTIVE SUMMARY

Palmyrah tree is immensely useful to people and society. People have benefitted from this tree since very ancient days. Palmyrah is mostly grown in the tropical part of world like Sri Lanka, India, Burma, Thailand, Vietnam, Malaysia and Indonesia. People obtain raw materials from the tree to produce food as well as other useful products. These are mainly sap based, leaf based, fruit based, tuber based and trunk-timber based products. Traditional technology is mainly used to produce palmyrah products. Due to the long war situation in the North and East the palmyrah industry was highly affected. However, the industry is now bouncing back.

Presently the government of Sri Lanka is taking huge efforts to rehabilitate the infrastructure and restore the livelihoods in the war affected areas. Palmyrah industry is a key sector for the resettled people to easily generate their income.

Despite the low contribution to GDP, this study investigated the internal constrains of this industry. These investigations suggest policy measures to uplift the entire palmyrah industry. This study was conducted with the partnership of the Palmyrah Development Board and Palmyrah Research Institute. The study locations were decided from where the stakeholders were connected by the Palmyrah Research Institute in Jaffna. Structured questionnaire interview was used to collect data from palmyrah based producers such as sap based, fruit based, leaf based and tuber based cottage industries. In addition, we conducted key informant interviews with Palmyrah Development Board officials and Palm Development Cooperative officials. Further, there are a number of leave based workers and tuber producers in the Batticaloa district as well. They were also included in the study location in addition to the Northern Province. The number of households interviewed were: in toddy tapping-137, leaf based-142, jaggery producing- 14, fruit based-23 and tuber based-44.

Socio-cultural standing of the tappers was observed. Religion, their housing status (whether living in own house), electricity and sanitary facilities, their age and education level were also taken into account since the study locations were war affected areas.

Palmyrah toddy tapping duration is from January to end of August. The average number f trees tapped were two to 50 per day. The maximum number of trees were tapped in the Killinochchi district. The average height of tapping tree was reported as 46 feet and minimum high was reported as 28 feet. The average highest number of toddy tapped per day was 150 bottles (112.5l) and minimum was eight (6l). The average highest number of sweet toddy yield per day was 170 bottles (127.5l) and minimum was 30 bottles (22.5l). The average range of price of toddy per bottle was between Rs.30-65 and sweet toddy was between Rs.30 to 40. The maximum selling price of toddy was Rs.65 per bottle reported from district of Vavuniya and Jaffna.

Almost all tappers obtained trees for tapping on hired basis in the range was of Rs.250 to 500 a tree per season. More than 94% of the tappers earned between Rs.60,000 to Rs.80,000 income per month. Two major tapping expenditures were reported. The reason for the high cost was the use of instruments of quality and high price. Tappers obtained their main income through toddy selling. They covered all the family expenditure from this income. A major limitation in toddy producing is the risk involved in climbing tall trees. Tappers climb a tree twice a day using traditional technology. According to the tappers, the toddy smell emanating from their bodies tend to corner them from society. Due to the same reason the younger generation is reluctant to take up toddy tapping, jeopardizing the future of this traditional industry.

The distance between the producing area and the selling point is another challenge when transporting toddy within the limited permitted time as being granted by the Excise Department Due to these constraints the excess toddy produced during the peak season is more often destroyed or the cooperatives limit the number of trees that are being tapped. This affects the tappers income generation. However, a very less number of cooperatives produce bottled toddy. They sell to consumers during off season. However, cooperatives do not have processing facilities to produce bottled toddy. In addition, some cooperatives send the surplus to distillers Jaffna under the Palmyrah Development Board to produce palmyrah arrack. Even distillers do not have processing facilities to accommodate all the surplus.

Increased arrack consumption following opening of new liquor stalls and emergence of illegal liquor sales points after the end of the war in the North have led to a decline in toddy consumption significantly.

- Recommendations to improve the toddy industry are introduction of new technology to climb trees and collecting toddy, implementing a processing system and quality control measures to produce canned toddy to attract the tourism industry to use ferment toddy and sweet toddy in hotels, establishing new palm gardens and palmyrah products sale outlets as a new concept in the Northern Province to attract locals and foreigners, encouraging production of sweet toddy instead of fermanted toddy to produce treacle and jaggery and streamlining a project to promote toddy of Palmyrah Toddy Cooperatives to produce liquor sprit in place of imported liquor spirit.

The major secondary product of the sap industry is treacle and jaggery. There were 23 jaggery producers interviewed under this study. Six percent of these people generate their key income via jaggery and treacle production while others practice it as a secondary income generation activity. They produce jaggery in weekends and in late evenings. Cost of production per kilo of jaggery is Rs. 495 and the selling price is Rs.600. Monthly average income of a jaggery producing family is Rs.36,729. Generally, jaggery production takes place as a cottage industry.

Difficulties in climbing a tree twice a day and difficulty in applying lime inside the pot during the windy season to arrest fermentation, following of traditional technologies thus being unable to enter the international and the higher production cost are the challenges. Producers of inferior quality jaggery and treacle pose a major threat to authentic producers. For overcoming the situation a promotional and awareness campaign on the nutritious value of authentic palmyrah jaggery and treacle is suggested.

A quality control system and new processing technologies should be established to validate the products to compete in the international market.

Palmyrah leaf based production is another income generation activity in the Northern Province. Mainly immature leaves are used to produce home utensils and decor. Nearly all producers (98%) are women.

The Palmyra Development Board has appointed an instructor to help them. The Palmyra Development Board purchases their products.

Women's organizations provide training and offer loan facilities with low interest to help market their products. A woman's average monthly income is Rs.12,000.

Mostly women spent their earnings on their family requirements such as education of their children or electricity or fuel expenditure, to purchase goods and on savings. School leavers, job seekers and married women have been engaged in this industry during their leisure time.

The palmyrah leaf industry currently faces problems due to shortage of climbing persons and difficulty in finding suitable palmyrah leaves. Palmyrah leaf products are not available all over the country and are limited to Northern and Eastern provinces.

Having synthetic substitutes and not using modern technology are the other barriers to the palmyrah product development.

- Developing marketing strategies to increase the sale of leaf based products, presenting in attractive designs and working closely with the tourism industry are possible recommendations.

There were 173 tuber based producing households interviewed in this study selected from Jaffna, Mullaitivu, Mannar, Killinochchi, Vavuniya and Batticaloa. More than 50% of families are engaged in the tuber based production as their key occupation except in the Vavuniya district. Some practice it as their secondary occupation. This may be an extra income generation means during their leisure time. Therefore, producers hesitate to bring in the next generation in tuber production. The raw material for tuber production is ripe palmyrah fruit. The producers are trained by their family.

Mullaitivu, Mannar and Kilinochchi producers find seeds from their own trees. However, 16% of Jaffna and Batticaloa producers purchase seeds. There are 60 – 75% of tuber producers from Mullaitivu and Mannar districts earning Rs.5,000to 10,000per month. Also, 40% of Mullaitivu and 25% of Mannar producers earn Rs.10,000 – 20,000 per month. However, total producers from Kilinochchi earn Rs.10,000 – 20,000 per month. Producers from Batticaloa, Jaffna and Vavuniya earn Rs.5,000 – 40,000 per month. A very few producers in these districts earn Rs.30,000– 40,000. This tuber industry is also completely traditional bound. It needs much improvement. Apart from marketing problem technology has to be upgrade to introduce value addition to tuber products.

The Palmyrah industry vastly provides direct and indirect livelihood opportunity to the rural people. Therefore, it is a primary duty of the policymakers to improve this industry in different directions such as technological development, value addition, improved marketing channels and implementing a resource management mechanism.