



**EDB**

SRI LANKA  
EXPORT  
DEVELOPMENT  
BOARD

# Business Lanka

VOLUME 35 | ISSUE 1/2022



READ ONLINE:



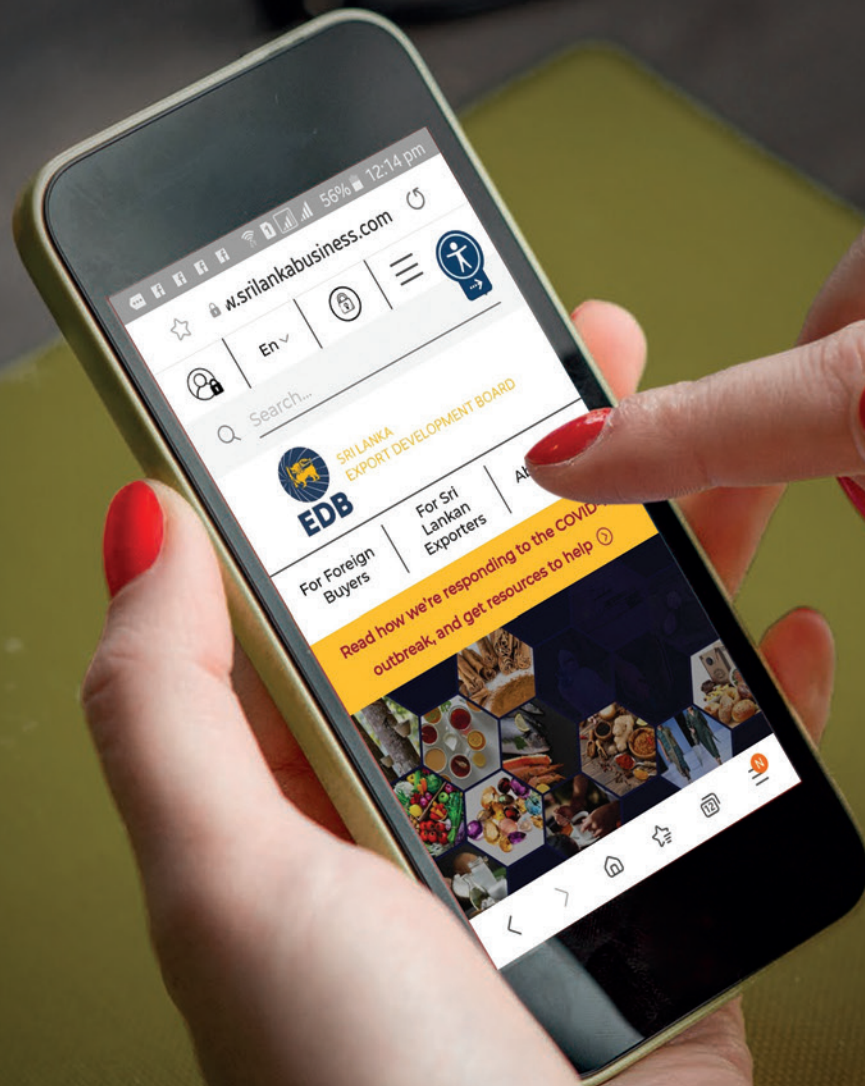
## Connecting Sri Lanka's Organic Agriculture with the World



# Visit your **One-Stop Shop** for Sri Lankan Export Products and Services

- Find the latest news on Sri Lanka's export industry
- Explore the buyers' portal
- Meet Sri Lankan exporters
- Buy Sri Lankan products online

[www.srilankabusiness.com](http://www.srilankabusiness.com)



## WELCOME



**Connecting Sri Lanka's Organic Agriculture With The World.**

**Organic farming practices have numerous benefits to the environment. Choosing organic farming will be profitable and immensely appealing to consumers.**

### **Business Lanka is published by**

Sri Lanka Export Development Board  
All rights reserved.  
Copyright © 2022.

### **Direction**

Chitrarajali Dissanayake  
S R P Indrakeerthi

### **Project Coordinators**

Upul Galappaththi  
Asela Gunawardena

### **Circulation**

Trade Facilitation & Trade  
Information Division

### **Design and Production**

BT Options  
20-2/1, Lauries Place  
Colombo 4, Sri Lanka  
General : (+94) 112 597 991  
E-mail : info@btoptions.com  
Web : btoptions.com

# Ayubowan!

**“Organic food industry is booming in the developed world due to the rising trend of health-consciousness among consumers in the West. Sri Lanka being a nation with a rich legacy of agrarian civilization should realize its full potential in organic agriculture to reap benefits from this changing pattern of consumption across the globe.”**  
– EDB Chairman Suresh D de Mel

Today, Sri Lanka's agriculture practices are predominantly conventional. However, our ancestors practiced secure farming methods for centuries, a knowledge honed through generations. After many years Sri Lanka has restarted its journey of re-embracing best practices in agriculture production. In a testament to the popularity and acceptance of good agricultural practices, several companies producing organic certified agriculture raw material and finished products for the export market are promoting good business through food safety on the farm and ethical standards in guaranteeing fair prices to suppliers. This issue spotlights companies manufacturing organic certified raw material and finished products to foreign and local markets, including spices, herbs, oils, fruits & vegetables, tea, and cosmetics.

Bio Foods, the organic-liquid and solid bio-fertilizer developer, is resetting Sri Lanka's conventional farming methods. The company is preparing a revolution in our cultivation convention that destroys the goodness in what humans consume. Combining an exemplary business model and community development, the People's Organization for Development Import and Export (PODIE) is helping reclaim our inheritance to a safe food culture, where sustainability is critical. Worga Naturals is a supplier and processor of premium quality organic certified fruit and spices to the export market. The Small Organic Farmers' Association (SOFA) boasts of more than 3,600 farmers in five regions in Sri Lanka producing organic raw material. They do so in compliance with accepted global standards in organic farming and Fair-Trade principles that reach markets in Europe, the USA, and other regions in the world. HDEES is a family-owned business operating in the export space, marketing organic certified spices, essential oils, oleoresins, tea extracts, herbs, medicinal plant extracts, dehydrates, virgin coconut oil, and coconut products. The market in the European Union for Sri Lankan processed food and the potential to increase demand from end consumers, and value-added products turn the spotlight on the quintessentially locally-loved jackfruit. The fruit has taken the world by storm for its versatility to switch to wholesome super vegan food. Assisting the country's journey in embracing safe cultivation practices, the Sri Lanka Accreditation Board (SLAB) is the official agency providing farmers and processors in Sri Lanka organic certification as per the Sri Lanka Organic Standard – SLS 1324:2018. It enables promoting the SLS 1324:2018 among small farmers, streamlining production, handling, processing, and labeling of organically grown agriculture products to meet a consistent standard. And so, Sri Lanka's passage to transform conventional farmers into organic cultivation and increase production volume and income is an ethical choice that goes beyond money.

**Sri Lanka Export Development Board**



# Contents



04

## The National Organic Certification Mark

Sri Lanka has developed National Organic Standards considering our traditional agricultural knowledge, climate, cropping patterns, and the current agricultural practices. The National Organic Control Unit (NOCU) has facilitated the Sri Lanka Standards Institution (SLSI) to develop and publish the Sri Lanka Organic Standard SLS 1324:2018, with expert opinion from the public and private stakeholders engaged in organic agricultural practices.



05

## Sri Lanka Accreditation Board and Organic Agricultural Practices in Sri Lanka

The Sri Lanka Accreditation Board (SLAB) is the national authority that provides accreditation services for certification bodies. Certification Bodies providing organic product certification issue product certificates or licenses to organizations that entitle them to display a mark of conformity on their product or issue a certificate indicating the product's conformity with the organic standard.



08

## Recapturing the Historical Legacy of Sri Lanka's Organic Agriculture

Sri Lanka was self-sufficient in rice and other crops, and excess production was exported during the rule of King Parakramabahu. Currently, there is an increasing focus on organic agriculture in Sri Lanka to gift the benefits of that great historical heritage and traditional irrigation technology to the global community. Hence, the island's agricultural sector intends to provide toxic-free food products through toxin-free agriculture.



12

## Sri Lankan Processed Food to EU Market: Organic & Superfoods

With the onset of the COVID-19 pandemic, the demand for F&B products has increased considerably, particularly for food labels such as organic/superfoods/Bio Foods/Vegan. Among the food product exporting countries, Sri Lankan F&B has captured reliability and high demand due to the industry's inherent quality/taste of the raw materials used and the quality standards maintained during the value addition process.



17

## Biofoods: Introducing Innovative Approach to Organic Agriculture

Built on the foundational values of sustainability, traceability, reliability, and food security, Bio Foods has been able to provide customers all around the world with truly organic and sustainable food products for nearly three decades. Attempting to connect Sri Lankan organic agriculture with the world, Bio Foods plays a significant role in the organic post-harvested food industry in Sri Lanka.



---

## 20 **Decades of Pledging to Goodness: HDDES Group**

HDDES Group grows, manufactures, and exports organic spices, essential oils, oleoresins, tea extracts, herbs, medicinal plant extracts, dehydrates, virgin coconut oil, and coconut products. For decades, the family-led enterprise has been a flag bearer for a socially responsible company contributing to the country's economy by dauntlessly promoting the best of the tropical island.




---

## 25 **PODIE: A Win-Win for All**

The People's Organization for Development Import and Export (PODIE) blends an exemplary business model and a sustainable community development endeavor. It provides a viable solution to rebalancing economic, social, and environmental objectives. It has stood the test of time to prove that communities can thrive and change for the better through alternative farming practices. As a World Fair Trade Organization (WFTO) member, PODIE products are sold in fair trade markets and supermarkets in Europe and elsewhere.




---

## 30 **Safe Farming and Fair-Trade Favor to All of Humanity: Worga Naturals**

Worga Naturals is a supplier and processor of premium quality organic certified fruit and spices to the export market. The Company is undoubtedly establishing its credentials as a private business with the producer's interests at heart by decisively stepping into a socially conscious and socially responsible platform. With the immense potential for growth in the global market, As an SME in the food and agriculture sector, Worga is ignited with excitement to be the best organic food processing company in Sri Lanka.




---

## 34 **SOFA is Changing the Way We Eat**

The Small Organic Farmers' Association (SOFA) is a social enterprise of small-scale farmers growing organic certified tea, coffee, spices, and vegetables for the market and home consumption. Many trading partners purchase and market their Fair Trade tea and spices for export to global markets under trade agreements beneficial to the farmers.




---

## 40 **Presidential Export Awards: Recognizing Exporters Who Deliver The Goods**

The Presidential Export Awards (PEA), organized annually by the SLEDB, recognizes exporters' outstanding contribution to the export sector and economic development. The PEA is the highest and the most prestigious award presented by the President of Sri Lanka.



## ORGANIC STANDARD

# The National Organic Certification Mark

**The demand for organic food is increasing rapidly worldwide. Many countries have moved into organic agricultural production by following organic principles introduced by the International Federation of Organic Agriculture Movements (IFOAM). Some countries have developed their organic standards.**



Sri Lanka is a tropical country rich in biodiversity and has practiced a sustainable agricultural production system from ancient times. The traditional Sri Lankan farmers practiced eco-friendly agriculture methods based on the four principles of organic agriculture: health, ecology, fairness, and care.

Sri Lanka has developed National Organic Standards considering our traditional agricultural knowledge, climate, cropping patterns, and the current agricultural practices. The National Organic Control Unit (NOCU) has facilitated the Sri Lanka Standards Institution (SLSI) to develop and publish the Sri Lanka Organic Standard SLS 1324:2018, with expert opinion from the public and private stakeholders engaged in organic agricultural practices. SLS standard entails the principles of organic production and processing. The Sri Lanka Accreditation Board will conduct an assessment according to ISO 17065 and grant accreditation for certification bodies to issue an organic certificate as per SLS 1324:2018.

The National Organic Certification Mark (NOCM) will be granted based on compliance with the Sri Lanka Organic Standard SLS 1324:2018 communicating the genuineness and the origin of the product.

NOCU, established under the Sri Lanka Export Development Board (SLEDB), is the sole, absolute, and



National Organic Certification Mark (NOCM) will be granted based on compliance with the Sri Lanka Organic Standard SLS 1324:2018 for products that follow genuine practice in manufacturing.

exclusive owner of the National Organic Certification Mark (NOCM). It is registered with the National Intellectual Property Office-Under Class Nos.29, 30, 31, and 32.

NOCU will grant the license to issue this NOCM only to the accredited certification bodies operating in Sri Lanka, subject to compliance with the guidelines issued by NOCU.

The main objective of introducing the NOCM is to increase the availability of genuine organic products in the local market and increase the credibility of consumer awareness.

NOCU is undertaking many activities to prevent the entry of fake organic products to the international

and local market and conduct market surveillance in collaboration with the Consumer Affairs Authority to analyze and verify the organic products sold in the local market and export market.

The farmers/processors certified under the SLS 1324:2018 can display the NOCM on their product packaging, and it could be used as a government endorsement for the genuineness of their products. The logo users have to follow a set of guidelines issued by NOCU to assure product authenticity. ☐

**Vinoka Perera and S.M.D. Madumali,**  
Assistant Directors of the National Organic Control Unit, (NOCU) EDB



## ORGANIC CERTIFICATION

# Sri Lanka Accreditation Board and Organic Agricultural Practices in Sri Lanka

**'Organic agriculture' is certainly the hottest topic in Sri Lanka as of today.**



SLAB provides accreditation for certification bodies conducting audits for organic agriculture.

According to The World of Organic Agriculture – Statistics and Emerging Trends 2020, published by FiBL & IFOAM, over 71.5 million hectares of farmland are now organic. It is 1.5 percent of the total farmland in the world, and it continues to grow. Along with these growing organic practices, more than 87 countries have developed their organic legislation and standards, and more than 17 nations are setting organic standards. The next step is certification. Through certification, organic integrity is protected in every step and verified

by an independent body. During the certification process, production, storage, processes, handling, and marketing activities are evaluated to comply with specific requirements (standards) and then certified as "organic" by a certification body.

When a certification body has verified conformity with organic standards, the product is certified as organic and likely to afford a label. This label possibly will vary based on the certification body, the standard/specifications they use for the verification. Different types of

standards/specifications are being developed at global, regional, and national levels by various entities such as standard bodies and non-profit organizations, where certification bodies worldwide consider during the verification of the compliance in organic agricultural practices. The European Union, the United States, Canada, and Japan have developed comprehensive organic certification schemes. In countries without organic regulations or government requirements, certification is handled by non-profit organizations or private



entities. These diverse organic certification schemes focus on certifying various organic products such as crops, livestock, processed or multi-ingredient products, and wild crops as organic. In the context of Sri Lanka, SLS 1324 (Organic agriculture production and processing) is being developed by the SLSI (Sri Lanka Standards Institution) as the national standard developer. The standard prescribes the requirements for production, wild harvest, post-harvest, handling, storage, processing, transportation, packaging, labeling, and marketing of organic produce and products. Certification bodies functioning in Sri Lanka now certify various organic produce and products against this standard.

In the context of Sri Lanka, SLS 1324 (Organic agriculture production and processing) is being developed

by the SLSI (Sri Lanka Standards Institution) as the national standard developer. The standard prescribes the requirements for production, wild harvest, post-harvest, handling, storage, processing, transportation, packaging, labeling, and marketing of organic produce and products. Certification bodies functioning in Sri Lanka now certify various organic produce and products against this standard.

Providing organic products/ processes conforming to technical regulations (mandatory) or standards (voluntary) requires efficient procedures for assessing conformity to relevant stipulated requirements. Conformity assessment activities that include inspection, testing, certification for voluntary or mandatory systems based on organic products are carried out by Conformity

Assessment Bodies (CAB's) having the necessary competence to carry out such tasks.

In such operations, both domestic and global, there is an increasing demand for independent verification of CAB's for competence, impartiality, and credibility. These verifications are done by authoritative accreditation bodies that act impartially concerning both CAB's and their clients. Accreditation demonstrates the competence, impartiality, and performance capability of the accredited Conformity Assessment Bodies.

Accreditation of a certification body that conducts evaluations in organic agricultural practices undoubtedly upsurges the assurance, credibility, and legitimacy of organically certified products. It is a procedure adopted by a National Accreditation Authority for ascertaining the competence of a certification body and its personnel to certify organic farms, products, and processes as per the different organic standards. In our country, The Sri Lanka Accreditation Board (SLAB) is the national authority that provides accreditation services for certification bodies. Certification Bodies providing organic product certification issue product certificates or licenses to organizations that entitle them to display a mark of conformity on their product or issue a certificate indicating the product's conformity with the organic standard. In this way, the consumer is assured that the organic product they purchase has reached an organic standard and has been tested by qualified personnel to the applicable codes and standards.

SLAB accredits organic certification bodies against ISO/IEC 17065 - Conformity assessment – requirements for bodies certifying

**The Sri Lanka Accreditation Board (SLAB) is the national authority that provides accreditation services for certification bodies.**






The SLSI has developed the requirements for organic agriculture production and processing under SLS 1324.

products, processes, and services to deliver a range of Product Certification Schemes such as organic agriculture, energy labeling, green building, fisheries, and food sector. Certification bodies are accredited in compliance with ISO/IEC 17065:2012 for organic products and processes. These are detailed in the scope of accreditation,

which is annexed to the organization's accredited certificate. Benefits of accrediting bodies that certify organic products and processes are,

- Broader market access
- Effective risk management in all the aspects
- Competitive advantage
- Enhanced customer confidence

Similarly, when the SLAB accredits a certification body for organic certification, the entire organic certification process aligns with international guidelines. SLAB has gained international (IAF – International Accreditation Forum), (ILAC – International Laboratory Accreditation Co-operations), and regional recognition (APAC – Asia Pacific Accreditation Cooperation). Therefore, through arrangements for mutual recognition of equivalency across boundaries, the organic certificates issued by an accredited certification body get international acceptance. This would support Sri Lanka's export market to minimize the non-tariff technical barriers across international borders. These international recognitions also enable more freedom to compete in many markets worldwide, often without the requirement for a duplicative test or mark. Apart from the evaluations done by certification bodies, testing laboratories and inspection bodies would also be essential to complete the organic certification process. With the testing laboratories being accredited for ISO/IEC 17025 and inspection bodies being accredited for ISO/IEC 17020, the validity and the international recognition of the test results and inspection report would be increased.

Once the accreditation is granted, the status is valid for three years. During the three years, two surveillance assessments are carried out. At the end of each accreditation cycle, the status of accreditation shall be renewed. The competency of the SLAB is also being assessed once in four years as per ISO/IEC 17011 by a team of peer evaluators from the regional and international arrangements. 



**Dr. Niranjana Kannangara**  
Assistant Director  
(Accreditation)  
Sri Lanka Accreditation  
Board



## COVER STORY

# Recapturing the Historical Legacy of Sri Lanka's Organic Agriculture

In ancient times, Sri Lanka was known as the Granary of the East, coinciding with King Great Parakramabahu during the Polonnaruwa era from 1153 to 1186.



Since ancient times, rice and other crops were exported from Sri Lanka.

Evidence is available to suggest that Sri Lanka was self-sufficient in rice and other crops and that excess production was exported during the rule of King Parakramabahu. The best proof for the nation's self-sufficiency

in that era is the elements of the colossal irrigation-based civilization, which was nurtured under King Parakramabahu. This period also witnessed the establishment of massive stupas and places of Buddhist religious worship.

Vast irrigation industries could not have been produced by a labor force wrecked by hunger and malnutrition.

Apart from the vast irrigation industries that laid the foundation for an agrarian civilization, the other living testimony of the impressive



agricultural civilization of this nation is the "Tank Cascade irrigation system". Tank Cascade system, which has existed in Sri Lanka for thousands of years, has become a World Agricultural Heritage.

Tank Cascade system is a cluster of interconnected small tanks. They store water released from small water bodies within the dry zone of Sri Lanka in a reservoir and distribute it for the needs of citizens and agricultural purposes while nourishing the ecological systems and allocating water to another close-by tank. This system enables the collection of water originating from rain and minor water bodies in a tank. It also aids in controlling water overflows during periods of excessive rain and careful usage of water in times of drought. Further, the Tank Cascade system allows withstanding the tremors that could befall ecological systems during natural calamities. Under this mechanism, as water travels from one tank to another through canals, it enables to raise water concentration levels of the soil in an optimum manner. Tank Cascade system contributes to ensuring that food production in the rain-scarce dry zone remains satisfactory while safeguarding livelihoods and facilitating the achievement of sustainable rural development. Due to the unique characteristics of this Tank Cascade system, the Food and Agricultural Organization of the United Nations on 19<sup>th</sup> April 2018 made this Sri Lankan marvel a World Agricultural Heritage. Currently, there is an increasing focus on organic agriculture in Sri Lanka to gift the benefits of that great historical heritage and traditional irrigation technology to the global community. Therefore, the island's agricultural sector intends to provide toxic-free food products through toxin-free agriculture. Cultivating traditional paddy varieties is important in this endeavor, and other agricultural crops are also moving towards the bustling trend of organic agriculture.

Thousands of traditional paddy varieties such as *Suwadal*, *Al wee*,



During King Parakramabahu's reigning period, the nation was self-sufficient in rice and the elements of the colossal irrigation-based civilization was nurtured.

**Currently, there is an increasing focus on organic agriculture in Sri Lanka to gift the benefits of that great historical heritage and traditional irrigation technology to the global community.**

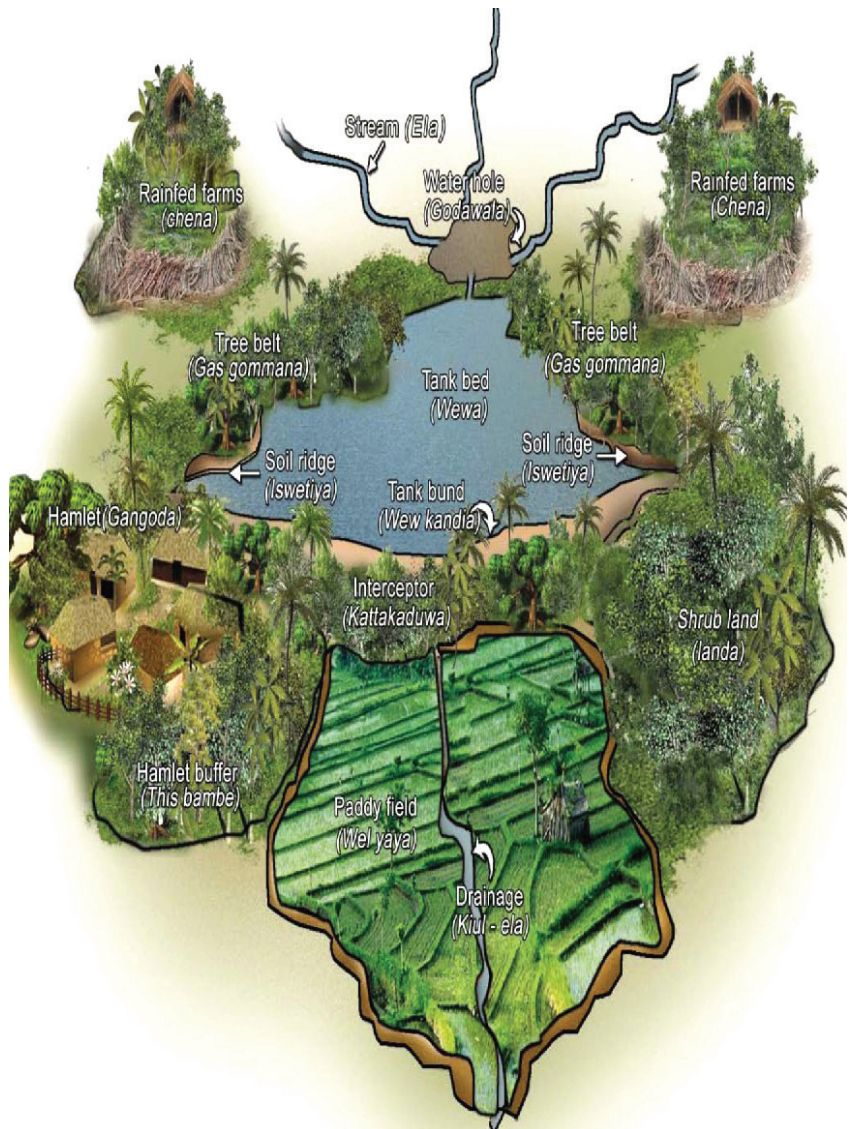


Right: social organization around a Tank in the Dry Zone of Sri Lanka.

**With the commencement of cultivating hybrid paddy varieties, planting of the aforesaid traditional varieties became rare due to the inclination of farmers to grow paddy varieties that generate higher yields by using chemical fertilizer and weedicide owing to Green Revolution.**

*Dik wee, Ma wee, Heenati, Rathu heenati, Dik heenati, Goda heenati, Hodaravulu, Pachchaperumal, Madathavulu, Rath suwadal, Unakola sabba, Rathdal, Suduru, Kurulu thuda, Kahavunu, Pokkali, Dahanala, kattamanjul, Kalu balu, and Gonabaru* have been grown in Sri Lanka throughout the history. Still, with the commencement of cultivating hybrid paddy varieties, planting of the aforesaid traditional varieties became rare due to the inclination of farmers to grow paddy varieties that generate higher yields by using chemical fertilizer and weedicide owing to Green Revolution.

The demand for traditional rice varieties began to increase in Sri Lanka, with large segments of the world population getting diagnosed with non-communicable diseases (NCDs). Traditional rice has been found beneficial both clinically and scientifically for NCDs such as diabetes, high-blood pressure, heart diseases, cancer, and iron deficiency. Research by Sri Lanka Industrial Technological Institute (ITI) – the pioneer scientific research and development organization in







Above: during King Parakramabahu's ruling period the establishment of massive stupas and places of Buddhist religious worship can be witnessed. Below: varieties of rice grown in Sri Lanka.



**All the traditional rice varieties of Sri Lanka are ideal for non-communicable diseases. Their toxin-free attributes can be guaranteed since they are cultivated following organic methods.**

Sri Lanka – has found that traditional rice like *Kalubala*, *Pachchaperumal*, *Dahanala*, *Rathuheenati*, *Kattamanjal*, and *Rathdal* are quite rich in protein and iron. Hence, those are valuable for patients with iron deficiency and pregnant and breastfeeding mothers. Further, this ITI study in association with the Department of Agriculture titled “Properties of some traditional rice varieties of Sri Lanka, 2011,” revealed that antioxidant properties are quite high in rice varieties (*Oryza sativa*) of *Kalubala*, *Pachchaperumal*, *Rath Suwadal*, and *Kalu Heenati*, thus, offering immense health benefits to the heart patients while helping to control cancer ailments. According to the findings of this research, because *Suwadal*, *Masuran*, *Dik Wee*, *Gonabaru* varieties possess the ability to reduce the digestion of starch, those types of rice are excellent for people affected by diabetes.

All the traditional rice varieties of Sri Lanka are ideal for non-communicable diseases. Their toxin-free attributes can be guaranteed since they are cultivated following organic methods. ☐



**Upul Galappaththi**  
Business Lanka Coordinator



**Asela Gunawardena**  
Export Promotion Officer

## SUPERFOODS

# Sri Lankan Processed Food to EU Market: Organic & Superfoods

Food & Beverage (F&B) plays a vital role for human beings as it consists of essential nutrients that provide massive support to sustain health and prevent diseases. Consumers search for different kinds of nutritional foods with varied origins, flavors, textures, and colors. Hence, it has become a fashionable business in the world.



Jackfruit products are termed internationally as superfoods and they are commercially exported in value-added forms.

It is evident that even with the COVID-19 pandemic spreading worldwide, the demand for F&B products has increased considerably, particularly for food labels such as organic/superfoods/Bio Foods/Vegan,

with many benefits offered by them. Among the food product exporting countries, Sri Lankan F&B has captured reliability and high demand due to the industry's inherent quality/taste of the raw materials used and

the quality standards maintained during the value addition process. This article provides a glimpse of some of the time-tested, high-quality, organically made Sri Lankan food & beverage products, including superfoods.



### Jackfruit Products (*Artocarpus heterophyllus*)

Jackfruit is an excellent staple in Sri Lankan diets, and its products have been gaining attention in the West in the last couple of years. Due to its fibrous texture, jackfruit is considered a vegetarian substitute for meat and chicken. Jackfruit exports may prove to be a ripe opportunity for Sri Lanka as veganism and the demand for meat substitutes is rising globally. In the past few months, many non-vegetarian consumers have switched to jackfruit, as the Corona Virus has triggered a skepticism of meat in many parts of the world.

Almost 90 percent of jackfruit exports from Sri Lanka comprise young jackfruit in canned form or glass jars as ready-to-eat mixtures for burgers as meat alternatives, while the remaining 10 percent comprise ripened or dried jackfruits. Jackfruit is now internationally being termed a 'super food', and being hailed as the miracle nutrition option for vegans.

Most Sri Lankan processors/exporters have obtained the organic certification for their products/processes as the buyers are more discerning about the need to ensure traceability/healthiness from farm to fork.

The jackfruit products are currently being exported by Sri Lanka in value-added forms, such as ready-to-eat filling for burgers in different flavors, ready-to-eat jack fruit curry in pouches, and ripen jackfruits fruit base, and jack fruit in brine.

One of the main benefits of the consumption of jackfruit is that it is a high-calorie food with little to no cholesterol or saturated fats. The jackfruit is packed with B vitamins, with its vitamin B6 content alone providing 25 percent of the daily requirement. It is also a good source of vitamins A and C, dietary fiber, protein, phytonutrients, potassium, and other minerals. Its antioxidants can help protect eyesight, boost immunity, maintain blood pressure, promote cardiovascular health, improve digestion, and prevent colon cancer. It is also believed to reduce skin aging and strengthen bone health.



Above left and right: Ripened and dried jackfruits as ready-to-eat mixtures are exported from Sri Lanka to various countries.

### Kithul Syrup and its products (*Caryota urenus*)

Kithul sap is obtained from the young inflorescence of the kithul tree as an excrete to produce kithul

syrup. It is an unrefined natural sugar with minimal process without adding any artificial components. Kithul syrup is popularly known as the "medicinal sugar". Currently,



Top: kithul jaggery. Below: kithul syrup/kithul treacle.

Sri Lanka is exporting Kithul Syrup to countries like Australia, the UK, Canada, the USA, New Zealand, Japan, Italy, Russia, France, Belgium, and Germany.

Many consumers actively avoid or reduce sugar intake and look for products without sugar or reduced sugar content. Obesity, diabetes, and heart disease have also been related to the high-glycaemic index (GI) of many products, including sugar. Compared to the conventional sugar with a Glycaemic Index (GI) of 60, Kithul treacle has a GI of 28 and is considered a low-GI food and could be considered a healthy alternative to sugar.

The Sri Lanka Export Development Board worked with the Import Promotion Desk (IPD) in Germany to get the "Sensory Evaluation" of kithul treacle done by the German Laboratory – SGS Germany GmbH. Kithul treacle was compared with Maple Syrup, which is also a plant-based natural syrup for taste and odor. As per the results, Kithul syrup is with "Medium Difference" from maple syrup. It had less sweet/smoky/roasty taste and a less sweetish, roasty, and spicy odor.

Kithul treacle could be used as a food additive, glaze in breakfast diet as a healthier alternative for other sugar-flavored syrups. It could be used to develop energy bars, specialized (Ice-cream topping, puddings), as a sweet topping for fish/meat products/biscuits. The caramel taste of the treacle may be an advantage to be used as a glaze for meat products.

The mineral content of kithul syrup includes calcium, phosphorus, magnesium, potassium, and iron and traces of zinc and copper. The vitamin content contains folic acid and B-complex vitamins. Thus, other than that, it is a good source of energy. It also prevents rheumatic afflictions, prevents bile disorders, helps relieve fatigue, aids relaxation of muscles, nerves, and blood vessels, maintains blood pressure and reduces water retention, increases hemoglobin level, and prevents anemia. Kithul syrup is high in anti-oxidant activity.

#### **Moringa Powder/Moringa Capsules (*Moringa oleifera*)**

Moringa has been used in the traditional medicine of Sri Lanka for

centuries and is packed with powerful antioxidants. Referred to sometimes as 'the miracle tree', the use of moringa has proven to lower blood sugar levels, reduce inflammation, promote good cholesterol levels, and even protect against arsenic toxicity. Moringa is an excellent protein, calcium, beta-carotene, vitamin C, potassium, and iron. The COVID-19 pandemic has also increased demand for natural immune-boosting products in Europe.

The demand for moringa ingredients has been increasing in the last few years. More consumers have become aware of its benefits, and the number of product launches has risen. Sri Lanka is currently exporting moringa products like capsules containing leaf powder, herbal teas, flavors infused to other food origins, dehydrated moringa pods, and dried moringa flowers.

The most prospective countries for moringa are the Western European countries. These include Germany, the UK, France, the Netherlands, Italy, and Spain. They are the most prominent nutritional supplement markets with a relatively high awareness of moringa.

It is expected that the demand for moringa-based health products will rise more shortly, as more Sri Lankan exporters have entered into the European market with established brands for moringa products.

#### **Banana Blossom (*Musa acuminata*)**

Banana flowers, also known as banana blossom or banana heart-based products, are now popular in the European market as an alternative to fish products mainly to serve vegan consumers (Vegan fish). Texture and the appearance of the product are very much similar to tuna fish. High-fiber content, which can help improve digestion and absorption of food, is another factor for the increased demand from consumers. Germany is one of the leading markets in the EU, and the demand is growing further for its value-added products.

Banana flower packed with essential minerals such as phosphorous, calcium, potassium, copper,



Sri Lanka exports moringa products like capsules containing leaf powder, herbal teas, flavors infused to other food origins, dehydrated moringa pods, and dried moringa flowers.





Banana blossom contains high fiber and many health benefits.

magnesium, and iron, is vital for several human body parts. It has outstanding medicinal properties and act as a natural antidepressant. The banana flower contains phenolic acids, tannins, flavonoids, and various other antioxidants. These antioxidants neutralize free radicals, prevent oxidative damage, and reduce the risk of heart diseases and cancer. Cooked banana flowers can help deal with pain abdomen and reduce menstrual bleeding. Consumed along with curd or yoghurt, these flowers increase the progesterone hormone in the body and reduce bleeding. The ability to effectively treat infections in natural ways is another advantage. The banana flower, a galactagogues vegetable, increases the breast milk secretion of the lactating mothers. It also helps to support the uterus and reduces post-delivery bleeding. Banana flower, rich in vitamin C and potent antioxidants, is vital for health because it reduces stress on cells and slows down the aging process.

#### Banana Powder

Banana Powder is produced from banana fruit rich in carbohydrates and minerals such as potassium,

magnesium, copper, and vitamin B6 and C. Banana flour is a natural source of resistant starch. It helps moderate the blood sugar level and assist in boosting digestion. This is marketed as a gluten-free alternative to wheat-based flour for celiac disease and those who choose a gluten-free diet. Because of the high starch content, banana flour has excellent cooking/baking characteristics that replace wheat and other flour. However, even in cooked products like pasta, banana flour increases total resistant starch content in appreciable amounts. This may be the main ingredient for baby foods, bakery products, beverages, desserts and is used as a coloring agent.

#### Value Added Tropical Fruits

Sri Lanka is blessed with natural resources and climatic conditions from temperate to tropical to sub-tropical and is suitable for growing a wide range of fruits and vegetables. The country can produce many types of tropical fruits (endemic and exotic) throughout the year. Favorable natural conditions, including its low sites, two monsoons a year, geographic, and good soil conditions would lead to year-round cultivation of these crops in different parts of the island.

Sri Lanka's unique tropical flavors have gained recognition the world over. "We offer fruit in pieces, pulp, juice, preserves, and dehydrated form."

**Sri Lanka's unique tropical flavors have gained recognition the world over...Packaged attractively in cans, bottles, pouches, and cartons for the retail market, they are also offered in bulk for the food connoisseurs, hoteliers, and others in the food trade. Frozen/chilled forms are also marketed for the markets in nearby regions.**

These products still have flavors and textures unique to no other. Packaged attractively in cans, bottles, pouches, and cartons for the retail market, they are also offered in bulk for the food connoisseurs, hoteliers, and others in the food trade. Frozen/chilled forms are also marketed for the markets in nearby regions. The most popular processed fruits are pineapple, mango, papaya, banana, passion fruits, and melons; they are within the top ten processed forms, with other seasonal fruits such as rambutan and mangosteen showing an increasing trend.



A range of tropical fruits with unique flavors exported to international markets.

Utilizing modern technology to preserve taste, color, texture, aroma, and vitamins, products like dehydrated pineapple, mango, banana, papaya, and passion fruits are popular varieties for value addition. They are exported to the markets like the EU, the UK, the USA, Australia, and the Middle East.

Sri Lankan fruit juice manufacturers and suppliers export fruit juices extracted from passion fruit, papaya and pineapple that show great potential to take over the hearts and taste buds of consumers worldwide. Delicious, canned fruit juices are exported in glass jars and tins. Pineapple juice in light syrup, sliced pineapples, pieces, chunks, and mixed fruits are shared with the world. Their customary packaging, labeling, and presentation are recognized around the world.

It is a little-known fact that Sri Lankan gherkins are used to make the world-famous McDonald's burgers. Gherkins preserved in brine and vinegar are high-demand products worldwide. Japan is the largest market for Sri Lankan gherkins, which is followed by Australia, the



Coconut chips are a good source of dietary fiber.

Netherlands, and Thailand. These value-added gherkins are bottled and exported to international fast-food chains, restaurants, hotels, and supermarkets.

#### Rice-based Products (*Oryza sativa*)

Rice and cereals are preferred to wheat-based products as they offer higher nutritional value for those consumers preferring high-fiber foods. Consumers' health consciousness is going back to the traditional varieties, thus increasing the demand for such categories. Sri Lankan rice manufacturers and suppliers grow and export traditional varieties such as *Kalu Heenati*, *Suwadel*, *Rathudel*, *Madathawalu*, *Hetadha Wee*, *Pachchaperumal*, *Ma-Wee*, and *Kuruluthuda* in increasing volumes.




Left: Rice crackers. Below: a variety of traditional Sri Lankan rice is grown and exported.



Rice varieties such as *Suwadal*, *Alhal*, *Rathhal*, and red basmati, healthy rice for diabetic patients, are popular in international markets in the UAE, Canada, the United Kingdom, Australia, and Italy.

#### Coconut Chips (*Cocos nucifera*)

Made from the white flesh of the coconut kernel, coconut chips are the cut-off pieces that are baked and turned into a crisp. The process includes osmotic dehydration followed by hot air drying. Coconut chips are available in colors from white to light brown and in various flavors, from salted to fruit. Yet, all of them deliver the same goodness and health benefits. Coconut chips contain large amounts of medium-chain fatty acids (MCFAs), a type of saturated fat similar to most coconut products. Unlike other fat acids, MCFAs do not get stored in the body. Instead, it helps the body to generate energy. If coconut chips are consumed, the body can wait for a longer time to get hungry again. Similar to desiccated coconut, coconut chips are also a good source of dietary fiber. Therefore, it helps to maintain a healthy weight, lowering the risk of heart disease and cancer. 



**Gayani Wijethilake**  
Assistant Director, Export  
Agriculture Division, EDB



## ORGANIC FOOD PRODUCER

# Biofoods: Introducing Innovative Approach to Organic Agriculture

Across the agricultural supply chain, stakeholders are coming together to find new ways of ensuring food security, advancing sustainable development, addressing climate change, and safeguarding biodiversity for a resilient global food system. Under the current president, His Excellency Gotabaya Rajapaksa, a new light of focus is given to organic agriculture and organic farming practices. According to his mandate, 'Vistas of Prosperity and Splendor' encourages introducing and implementing scientific methods to improve sustainable agriculture in the next decade to ensure complete organic farming in Sri Lanka.



**B**io Foods aims to heal the motherland from the heavy use of artificial chemicals by pioneering a unique technology that helps regenerate fertile soil. Our organic liquid and solid bio-fertilizer developed after many years of research aim to

integrate essential microbes that no longer co-exist naturally in the soil. This special certified organic fertilizer that is not merely compost, stands as a proud testament way ahead of its time.

Innovation is a key pillar upon which Bio Foods is built upon. Over the

years, quick freezing was established as a widespread commercial method for the long-term preservation of perishable food in industrialized countries. This is one of the latest processing technologies in ensuring product quality, texture, and taste



Dr. Sarath Ranaweera,  
Chairman/Founder,  
Bio Foods.

while providing two years plus shelf life. With two processing lines, our frozen product factory located in Pannampitiya is the largest IQF food processor in Sri Lanka at present. We have introduced a new IQF milling mechanism, and our IQF products range from coconut milk cubes, green tea cubes, lemongrass, ginger, jalapeno, herbs, and many other fruits and vegetables. Our high value-added IQF green tea cubes and milled production is truly one-of-a-kind innovations in the frozen food product industry, formulated as per our own chairman's concept.

Built on the foundational values of sustainability, traceability, reliability, and food security, Bio Foods has been able to proudly provide our customers all around the world with truly organic and sustainable food products for nearly three decades.

Established in 1993 by Dr. Sarath Ranaweera as a family-owned business based in Kandy, Bio Foods is now the leading processor and exporter of organic, biodynamic, and fairtrade food products in Sri Lanka. With over 30+ years of experience, Dr. Ranaweera is also the founder of the Small Organic Farmers Association and the Founder and President of Marginalised Organic Farmers Association. He holds a Ph.D. (Sri Lanka) in Bio-Statistics, M.Phil (Sri Lanka) in Food Science and Technology, and BSc in Physics,

Chemistry and Mathematics. He has made a tremendous contribution to the academic field. His work can be referred to in publications such as Journal of Tea Science – Sri Lanka, Journal of Tropical Agricultural Research – Sri Lanka, Journal of Agricultural Engineering – Sri Lanka, and Journal of Agricultural Science, to name a few.

Operating with the vision of becoming the best environmentally-friendly organic food producer in Asia and achieving global customer

satisfaction, we provide our customers with various products ranging from organic tea, spices, herbs, coconut products, frozen fruits, and vegetables. At the same time, we are keeping in line with global demand for chemical-free, healthy food and beverages. Due to our high quality and innovative product range, our international customer base has grown from markets of European Union to North America to Asia.

In the attempt to connect Sri Lankan organic agriculture with the world, as a longtime processor and exporter of high-quality products, Bio Foods plays a significant role in the organic post-harvested food industry in Sri Lanka. While fulfilling the ever-growing needs of the international market, we take all the necessary steps and responsibility to ensure all stakeholders' sustainability of this essential supply chain, from producer to consumer. We provide a guaranteed minimum price at the farm-gate, transparent documentation for assured traceability, and rigorously maintain local and international environmental regulations.

Attesting to this, Marginalized Organic Producer Association (MOPA) was established by our chairman

**In the attempt to connect Sri Lankan organic agriculture with the world, as a longtime processor and exporter of high-quality products, Bio Foods plays a significant role in the organic post-harvested food industry in Sri Lanka.**



Marginalized Organic  
Producer Association  
(MOPA) is the largest  
small farmer group  
that supplies to  
Bio Foods.





Bio Foods won Europe's most prestigious award in the field of sustainable development in 2019.

**As part of a certified organic & Fair Trade producer organization, MOPA are dedicated to environmentally friendly farming practices, respecting the local ecological ethics, enriching the soil structure, uplifting the biodiversity in farmlands, and ultimately increasing productivity.**

in 2010 and is currently the largest small farmer group that is dedicated to supplying organic raw material to Bio Foods. Initially, the "marginalized" producers were the small and medium scale producers who underwent difficulties in obtaining a justifiable price for their produce in the market without the interference of a middleman.

These producers were educated and mobilized by the company on the

concepts and procedures of organic and biodynamic agriculture, and organized into societies according to their geographical distribution.

As part of a certified organic & Fair Trade producer organization, they are dedicated to environmentally-friendly farming practices, respecting the local ecological ethics, enriching the soil structure, uplifting the biodiversity in farmlands, and ultimately increasing productivity. Throughout this process,

over 10,050 farmer families stand to gain as beneficiaries. Of these families, most members are now involved in farming either full-time or part-time. Women are particularly encouraged to join these projects, to empower women of rural communities. We have farmer groups spread over six regions of Sri Lanka (Central, Uva, Wayamba, Down-South, North-East and Western provinces), all of whom are ambitiously seeking their way towards sustainability, using organic and Fair-Trade practices. This is what makes MOPA one of the most prominent small farmer groups in Asia. MOPA flocks and guides these farming communities with the genuine intent of bringing the producers and sophisticated end-consumer closer together.

In recognition of our efforts to go beyond organic, we were awarded one of Europe's most prestigious awards in the field of sustainable development in the year 2019. This award focuses on tomorrow's business models and the very best ideas for future cities. The Federal Government of Germany organized it in cooperation with the German Council for Sustainable Development and other German business associations. With only five competitive categories, over 800 applicants, and over 2000 guests attending the event, this award is the largest of its kind in Europe. We were humbled to be identified as a partnership that can promote public transformation towards a more sustainable life and economy.

Employing many employees throughout the country and developing independent farmer families, we continuously realize Sustainable Development Goals envisioned to be achieved by 2030. Keeping in line with gender equality in the workplace, we were recognized as one of the top companies in Sri Lanka that provide women with an equal and friendly workplace. We were bestowed with this recognition at the Women Friendly Workplace Awards 2021, organized by the Chartered Institute of Management Accountants (CIMA) and Satyn Mag Sri Lanka.



Bio Foods received the Women Friendly Workplace Awards 2021, organized by the Chartered Institute of Management Accountants (CIMA) and Satyn Mag Sri Lanka.

## ORGANIC PRODUCTS

# Decades of Pledging to Goodness: HDDDES Group

HDDDES Group grows, manufactures, and exports organic spices, essential oils, oleoresins, tea extracts, herbs, medicinal plant extracts, dehydrates, virgin coconut oil, and coconut products. For decades, the family-led enterprise has been a flag bearer for a socially responsible company contributing to the country's economy by dauntlessly promoting the best of the tropical island.



**T**heir journey began in 1982 when the family patriarch launched an export-oriented company mainly dealing with conventional products, expanding in 2001 to a BOI entity.

H D D E Silva founded the company, which he oversees as its chairman. And taking control after him are members of the next generation of the business clan, namely Managing

Director Gehan De Silva and directors Mevan De Silva and Jeevan De Silva. HDDDES considers itself a pioneer in fearlessly promoting products with a Sri Lankan identity. They are products often described as traditional and natural, which were limited to domestic use for a long time. The health-giving goodness in these local products has been

vigorously exploited and utilized for centuries in the country. Yet, they remained cocooned in our isle of serendipity. HDDDES opened the door to the wonder of many of our local ingredients and extract rich in antioxidants and healing properties.

And their journey has been growing from strength to strength, offering a diverse portfolio of products through





Mevan de Silva,  
Director, HDEES.

**Since 2001 the company has been making cosmetic products from organic materials. This novel focus has also moved to supply organic ingredients for spices and develop new Ayurvedic and cosmetic products.**

constant innovation and discernment. In 2003, the Group diversified its portfolio and invested in the latest technology to introduce floral and herbal extracts to the export market under HDEES Extracts.

Venturing into exporting certified organic products for the last 25 years, from its usual business of conventional exports, HDEES farms are 100 percent organic certified under the new concept. The company has 150 acres of cinnamon and other crops

grown in its plantation in Ahungalla and farm in Horana. In addition, the company works with small groups of farmers whose products are organically certified, which the company processes. The small farmer groups are in Kandy, Moneragala, Galagedara, Galle, Matara, Balapitiya, Matale, and the Knuckles. The raw material bought from the small farmer cooperatives is organically certified under the inspection of the Control Union, the "One-stop-shop" for

essential certification programs such as the EU, USDA – NOP, and JAS.

HDEES has captured a wide-ranging market portfolio through this rigorous certification process in western and eastern Europe, the Middle East, Australia, Africa, North, Central, South America, East Asia, Southeast Asia, and South Asia. Organic farming is a meticulous process that the company follows consistently, pointed out Mevan de Silva, Director. The method of receiving organic certification for organically grown products and their extracts is more than just applying a brew of imported residue. The company insists that the effort should be whole-hearted, where quality parameters are inviolable in this process. As more of the country is on a transitional journey towards embracing good farming practices, what's essential is adopting a native mechanism thought out carefully that will undoubtedly boost organic farming that many growers in Sri Lanka already practice.

Since 2001 the company has been making cosmetic products from organic materials. This novel focus has also moved to supply organic ingredients for spices and develop new Ayurvedic and cosmetic products. D'las International represents a new subsidiary of HDEES, making its

Staff inspect apparatus  
prior to testing.





Staff are well trained to monitor quality and standards.

## **HDDDES is the only company that manufactures fragrances tailor-made to individual customer needs, and this has been its unique selling design.**

debut foray into certified organic cosmetics. It's the first company in Sri Lanka to receive organic certification for a range of raw materials used to produce an organic certified and natural range of cosmetics. Previously the company exported those very extracts to cosmetic manufacturers globally. Today, D'las distills and extracts organic certified raw material to manufacture fragrances, aromatic soaps and shampoos, conditioner, body lotion, shower gels, aromatic diffusers, and incense sticks. D'las was awarded the 'Cosmos Organic' certification and became the first cosmetic brand in Sri Lanka to receive such recognition. Many of the aromatic ingredients for cosmetics are 100 percent pure and natural.

HDDDES is the only company that manufactures fragrances tailor-made to individual customer needs, and this has been its unique selling design.

For a long time, certified organic products were considered a global niche market. However, given that the benefit of consuming certified organic products is becoming widespread amid awareness of safe food, demand is generated beyond the niche market in Europe and the USA. Even retail consumers don't hesitate to choose certified organic goods from stores in those markets. Those markets have shown substantial growth in the sale of organic-based products, especially in the last decade, indicating that certified organic products are becoming more generalized as a

commodity, pointed out Mevan de Silva. It is a trend that many purchasing countries are showing tremendous growth among a more extensive section of people, extending beyond the traditionally known niche market associated with certified organic products. The company believes that even the local market will likely see a surge in demand for organic-based products as time goes by.

In this light, Sri Lanka has excellent potential to transition to organic farming and production, especially in spice manufacture and coconut-based products and tea, while also using conventional home garden-based produce such as jackfruit. HDDDES is developing specialty foods from baby jackfruit. The reason that Sri Lanka can leverage this opportunity, according to Mevan de Silva, is that globally there is tremendous space for growth in this particular segment, with intense efforts to promote it and a solid focus to turn organic in people's choices. Sri Lanka has to gather to take advantage of this opportunity by leveraging its internal strengths. The tropical environment has proven the tremendous potential for farming multiple crops, herbs, and spices of demand. So, direction and planning can take Sri Lanka to fill that global space and need for certified organic products. There are plenty of opportunities to introduce new products to the worldwide market.

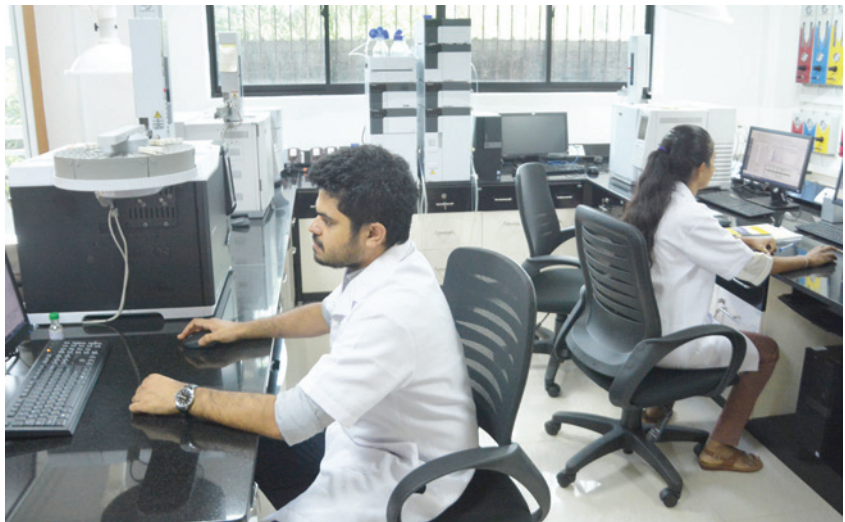
The practices in organic farming are scrupulous and hence have to be conducted with caution, such as the preparation of nutrient inputs inside farms practicing organic agriculture. It's a gradual process of harnessing from within by training stakeholders to develop healthy, heavy-metal free, and harmful substance free organic fertilizer in keeping with the principles of the concept and practice.

All the actors in the value chain stand to benefit if the country's thrust to transition at least to a certain extent to organic farming pans out successfully. All stakeholders, farmers and intermediaries, and every entity in the value chain benefit from such an informed move. And ultimately, the



country will be the biggest beneficiary of such an environmentally conscious change. This passage's primary concern is how we bring in this progressive conversion. The strategies and methods are vital to let the benefits accrue to all the stakeholders, said Mevan de Silva.

Organic farming of raw material will have tremendous acceptance globally, enhancing our credibility and visibility as a safe destination for the sourcing and certified organic products in general, ultimately transferring that positive image transformation to all the people involved and the country. Having been active participants at global trade fairs on certified organic products, the importance of this sector is not lost on the company. They are looking to engage in this sector robustly to cater to the vast global demand waiting to be usurped by potential producers and manufacturers of certified organic goods. Cognizant of this proclivity, HDEES invests significantly in its farms and intermediary suppliers to produce organic certified raw material only. While the company is reaping tremendous benefits in subscribing to the global call for safe farming and food safety and good management of Good Agriculture Practices, their work is not without its splutters. Their biggest challenge is sourcing organic raw material due to high prices in the local market, for instance, ingredients like ginger and turmeric. Their prices, having shot up exponentially in the last two years, are challenging its competitiveness globally. As the leading supplier for the manufacture of ginger-based shampoo and conditioner for a wellness company, the high cost has impacted the business and forex inflow into the country. Such fissures often lead companies to look for sourcing outside Sri Lanka, thereby promoting the practice of obtaining raw material from outside intermediaries, leading to a loss of revenue and outflow of forex. That would be a waste given the company's know-how and cutting-edge technology to promote value addition through organic certified



Above: State-of-the-art machinery used for production. Below: the team from the R&D department.

## **HDEES invests significantly in its farms and intermediary suppliers to produce organic certified raw material only.**

raw material. The high price of organic raw materials in the domestic market inhibits the country's ability to be competitive globally. This trend

requires intervention in the immediate future or a mechanism to import organic ingredients for value addition here for re-export, at least under



The HDDES  
production facility  
in Horana.

BOI guidelines. The issue involves settlement rather than lingering so that the country can fatten its forex largesse in the future. In the interim, the company continues to adhere to stringent quality standards and commitment to natural and organic standards by purchasing raw materials even at high prices. However, the company cannot afford to transfer the extra expenditure to the export product.

Mevan de Silva strongly believes that Sri Lanka can make its organic fertilizer to suit its soil and climatic conditions while using its resources and technology to make compost and insect repellent material within the farms. Then, Sri Lanka will certainly be guaranteed a future in its transition to organic farming.

In response, HDDES has developed its eco-friendly organic insect repellent material made from the organic raw material used in its processing facilities. Their invention is certified by international organic certification organizations for farm use. Such endeavors developed within are

undoubtedly beneficial to Sri Lanka's fundamental move to organic farming. Different fertilizer manufacturing methods need improvement, especially effective microorganisms, and microbes, to improve the soil health of the land and new technology that would produce efficiency in the future.

However, we have to be cognizant that we are operating in a competitive global environment for organically certified products as a country. Sri Lanka is also competing with countries where organic certified raw material is comparatively cheaper than Sri Lanka. Hence, Sri Lanka will only have the advantage of leveraging this market segment if it operates on par or better than its global competitors. If there's anything significant that Sri Lanka can leverage on is the trust quotient among international buyers for our organic certification standards compared to some other more prominent players in the region. For instance, Sri Lankan spices are predominately organic certified, which has rendered them their unique

personality and recognition in the global market. However, our volume may be inconsequential compared to the big players in the region. Sri Lankan organic certified products have visibility and recognition worldwide.

Quality is at the center of HDDES's efforts at continuous improvement. A testament to that commitment is obtaining ISO 22000, ISO 14000, and FSSC 22000 certifications for food safety. This striving for excellence has bestowed the Group with multiple awards of recognition, no less than at the Presidential Export Awards organized by the Sri Lanka Export Development Board.

The HDDES Group has received the best exporter award in 2019-2020 and 2020-2021. The company's concerted efforts and commitment to food safety and hygienic practices correspond with ethical business practices. Hence, in working with farmers, the company adheres to Fair-Trade practices and is responsible for complying with Sedex standards to improve working conditions in the global supply chain. ■



## ORGANIC PRODUCTS

# PODIE: A Win-Win For All

The People's Organization for Development Import and Export (PODIE) blends an exemplary business model and a sustainable community development endeavor. It provides a viable solution to rebalancing economic, social, and environmental objectives. It has stood the test of time to prove that communities can thrive and change for the better through alternative farming practices.



PODIE exclusively serves the export market with a range of small spices such as pepper, chili, fennel, ginger, coriander, cumin, turmeric, cardamom, cloves, and more.

As a social enterprise initiated by a Dutch Roman Catholic priest resident in the fishing township of Negombo in the North of Colombo, PODIE was the antecedent to a future trajectory. A trajectory that would shape the perception of

our treatment of the environment, our farming practices, and the food that we consume. The initial thrust of this clergyman's entry into a social solidarity movement was to engender change among marginalized groups engaged in economic activities.

Governed by a conviction to reinvest profits into a social mission to ensure the venture's sustainability, PODIE is a far cry from the playbook of traditional commercial enterprises. With this began a mission to connect the disconnected peasants of the remote



Tyrrell Fernando,  
Director, PODIE.

heartlands with the broader world of commerce.

A globally certified exporter of organic products, PODIE's initial interaction began differently with village artisans in the picturesque heavy mist of Dumbara valley. Although today, PODIE enjoys unprecedented visibility in the stands and shelves of European stores, at its inception, producing and trading in safe food, organic farming practices, and fair-trade principles were not even a consideration. Nonetheless, PODIE was the crutch to many small-scale producers in the villages, whose livelihoods were like the seasons – irregular and troublesome. It started with the goodwill of 25 volunteers investing 1,000 rupees each in setting up the initial capital of 25,000 rupees. And today, PODIE is here for the long haul, continuing to elevate the grassroots farmers to one-of-a-kind cultivators who make specialized products for a niche market.

PODIE's first shipment was to the Netherlands in 1986 of 1,000 beach mats woven by artisans from the Dumbara valley. The returns were good. From this earning, PODIE paid back the 25 volunteers 5,000 rupees each. With still money left, the remaining became the organization's capital from henceforth. Subsequently, PODIE received registration as a company limited by guarantee. Although one would expect this purpose-driven social enterprise to take off with much gusto from this

time, it was not so. After the initial success, PODIE did not have fresh consignments and continued to function in a more subdued manner for another two to three years, when during this time, it had the good fortune of two UN volunteers joining. While the organizing was mulling and quietly working on its next chapter, the volunteers worked with the PODIE team to introduce the first three curry recipes made to suit the European palette. That marked the organization's advent into spice exporting. And so, the first consignment of the spice mixtures was sent to Germany, and it seems the European palette was so captivated by its taste that to this day, the three curry recipes remain popular in Europe.

PODIE is an example of a forward-looking organization focused on using environmentally sound practices and treating their employees particularly well for a social enterprise driven by a mission. The simple business model involves working with farmers' groups, primarily small-scale farmers in the seven provinces in the country. There are over 3,000 farmer families involved in the farmers' groups, each group consisting of 40 members.

The farmers' groups consist of cinnamon, cloves, nutmeg, vanilla, lemongrass, turmeric, and ginger cultivators. PODIE is the market leader in the production of natural vanilla in Sri Lanka. The raw material thus acquired is added value in the state-

of-the-art post-harvesting processing and packaging center managed by PODIE.

PODIE exclusively serves the export market with small spices such as pepper, chili, fennel, ginger, coriander, cumin, turmeric, cardamom, mustard, vanilla, nutmeg, cloves, lemongrass, curry leaves, sesame in seed, whole, and powder form. Their sought-after products are spice mixtures for various purposes, such as for BBQ, meat-based curries, wines, rice, cakes, bread, cookies, pickles, soup, and tea. While they also export coconut-based products, special gift packs of spices and unique individual spice grinding bottles are wonderfully attractive options. While initially, PODIE developed the recipes for products shipped to European markets, sometimes with a little bit of help from connoisseurs, ideation, innovation, and product development are strategies leading its forward-march with collaborations to cater to specific needs.

In the process, PODIE can develop new competencies of its staff by engineering its unique product blends such as the arrabbiata mix, a self-grinder used as a dressing for barbecue toppings. The product blends innovation with convenience by packaging the contents in a spice grinder, allowing the user to crush the mix straightaway for use.

As PODIE began actively promoting organic farming in 1993, certification



PODIE actively promotes organic farming since 1993.





Fresh and organic products from PODIE.

was the ticket to success in the western markets besotted with bio foods and ethical sourcing practices. The attempt to obtain its first European certification in the same year seemed like a herculean task, given that the certification body was yet to enter the local accreditation lexicon. Hence, the high cost of obtaining a recognized certification caused delays, finally receiving the endorsement in 2000, when Sri Lanka had obtained Control Union certification.

As a World Fair Trade Organization (WFTO) member, PODIE products are sold in fair trade markets and supermarkets in Europe and elsewhere. To achieve its place of primacy and prominence in the universe of organic food, PODIE had to prove its credentials and intentions as a socially responsible organization. Three decades later, its credentials are impressive, being certified by leading international

certification bodies for organic food. They include the Dutch SKAL organic food certification and conformity to international standards of SQF 2000, namely Good Manufacturing Practices (GMP), Sanitary Operational Procedure (SOP), Standard of Sanitary Operational Procedure (SSOP), and the Hazard Analytical Critical Control Point (HACCP). In addition, it has acquired the Japanese Agricultural Standards (JAS), European Union organic certification, USDA National Organic Program certification, and the ISO 22,000 Food Safety Management Certification, which all demonstrate an organization committed to producing and trading in safe food.

As an organization with certification from the WFTO, PODIE is committed to the ten principles of fair trade. They include providing opportunities for disadvantaged producers, transparency and accountability, fair trade practices, fair payment, not employing children or forced labor,

gender equity and no discrimination, good working conditions, capacity building, promoting fair trade, and respecting the environment. An audit to reconfirm compliance assures continued approval from the global body. Accordingly, PODIE's officers at the Internal Control System that organize farmer communities into groups visit them every month. Those visits are interactions between farmers and the specialists, with the former sharing their issues and concerns while the latter providing advice and guidance. This way, the officers also identify problems associated with the practices in organic farming. To build capacity and continuous development, the farmers participate in at least two annual training programs on good manufacturing practices, personal hygiene, and standard sanitary operational procedures. Natural pest control systems are at the heart of its good manufacturing practices. PODIE also provides inputs to maintain the process through its organic fertilizer unit, which makes compost and liquid fertilizer, and a lab that makes microorganisms to control pest and fungus attacks.

Everyone wins with this farming method because it ensures commitment to quality when the

**As PODIE began actively promoting organic farming in 1993, certification was the ticket to success in the western markets besotted with bio foods and ethical sourcing practices.**



PODIE's success is based on organic farming practices.

**Having promoted organic farming with farmers around the country for nearly three decades and witnessed the demand in foreign markets, Tyrell Fernando believes the transition, “If appropriately implemented, augurs well for the country’s future. Adhering to standards is unfringeable.”**

farmer receives a fair price. The exporter, in turn, can demand a premium price for organically certified products. With an assured farm gate price, PODIE's farmers are well off even in volatile market situations. Any adverse price drop doesn't affect the value of their products, with PODIE staying true to its commitment to the agreed fair price. Tyrell Fernando, Director, PODIE, is at the forefront of adhering to the principles of fair price, chiding buyers at international trade fairs demanding bioproducts at unreasonable prices. Buyers should be mindful of the farmers' investment of time, money, and labor. Such unethical interventions may jeopardize the functioning of such a healthy market in a global sphere, often threatening to scuttle its local operations, even worse, disrupting a good market for a particular product.

Tyrell Fernando asserts that monitoring is key to ensuring adherence. In their case, every farmer group has a leader engaged in monitoring and the officers assigned to the task by the main office. That

ensures stringent compliance with the requisite farming standards. As the saying goes, experience is the teacher of all things. A field fed by chemical fertilizer becomes scorched by noon, evidenced in the wilting vegetation.

In comparison, an area that uses organic inputs is not parched by the noon sun and hence doesn't require the same high volume of water. Soil sampling further confirms any suspicions. So, because farming standards and testing are rigorous, there is no space for the stakeholders to deviate or adopt shortcuts.

Having promoted organic farming with farmers around the country for nearly three decades and witnessed the demand in foreign markets, Tyrell Fernando believes the transition, “If appropriately implemented, augurs well for the country’s future. Adhering to standards is unfringeable,” he said. So is the need to be cognizant of the time required to achieve the requisite standards. For instance, he pointed out that the mandatory in-conversion period of two years is when distressed soil undergoes neutralizing

with organic matter. Rather than an ad hoc swift process, it's a meticulously planned application that results in soil rich in microorganisms at the end of that period. At the same time, it should be a continuous process.

The impact of artificial fertilizer on depleting the soil and increasing acidity is an experience that PODIE is very familiar with. Sadly, the majority tend to give up cultivating land that eventually becomes barren with the vestiges of harmful fertilizer germinating a futile ground. Wanniamunukula, a remote hamlet, is a good case in point. For long, the village had survived on the heavy use of chemical fertilizer for cultivation, so much so, one would smell it in the air. However, as swathes of land turned acidic and uncultivable, farmers would abandon them. One such fallow land near a small reservoir was given free by a dispirited farmer to PODIE that treated the land with minerals to neutralize the ground. In two years, the once barren ground raised lush chili cultivation. Witnessing this cultivation revolution, the farmer requested the return of his land, but not before PODIE trained a group of farmers in organic farming methods. The precedent that PODIE set continues at the hands of those farmers.

The biggest challenge faced by the chili farmers in the same village, heavily dependent on the monsoons, was the lack of water for farming. The only tank in the village had gone dry for hundreds of years. With the approval of the irrigation engineer in the area and the divisional secretary, PODIE set about reconstructing and restoring the tank. But before its commencement, farmers were given training in the restoration work ahead. Every farmer had to commit to giving at least eight days of labor for the project. The high-cost project was a victory for all as fair trade buyers from New Zealand funded 50 percent of the estimated cost of USD12,000 while they lobbied with the New Zealand Government to support the remainder. Led by a genuine objective to elevate a rural community's working conditions and facilities, the initiative was





PODIE's team has individuals from diverse backgrounds who are well-trained.

**PODIE's contribution of a million euros annually to the country's forex reserves solely through selling organic products is an excellent testament for the road ahead. In fact, despite the travel restrictions leading to lack of access to sites, the organization has experienced a 40 percent increase in its export volume in 2021, increasing it to an export capacity of 150 tons.**

certainly a win-win for all. Therefore, the country's transition to safe cultivation practices is more than municipal waste as compost. It's a process that requires commitment and attitudinal change done through intensive intervention and interaction with farmers. A country cannot dump a concept overnight. The process can occur within. Such as training farmers to kickstart the process by using organic waste material available with them, such as dung that they often sell to outsiders to get money to purchase the same fertilizer from vendors. There is a great deal of communication that can bring this revolution in a significant way. The yield borne out of organic farming fetches at least 15 to 20 percent more in the global market. While the adoption of safe farming methods is labor-intensive, in the long run, the benefits are manifold. For instance, cinnamon growers who had hitherto used glycoside to destroy weeds around the trees, often doing so sloppily, are using machinery to do the same in the absence of this

harmful chemical banned in Europe and enters the water table eventually. European countries that buy certified organic products follow stringent procedures to ensure they are free of poisonous chemicals. If found to be contravening, they would slap such a brand with a trade barrier under the rapid alert system. Products under a marked brand would be detected upon entry and returned to the country of origin.

With a workforce of 60, the organizational structure of PODIE is unique in that its primary stakeholders, namely the farmers make up its board of directors, seven in all, along with one female employee from the factory's processing staff. A structure such as this enables transparency of PODIE's transactions with its stakeholders. A member of the clergy of the Catholic Church on the board provides guidance and advice.

As a social enterprise, PODIE's contribution of a million euros annually to the country's forex reserves solely through selling organic products is an

excellent testament for the road ahead. In fact, despite the travel restrictions leading to lack of access to sites, the organization has experienced a 40 percent increase in its export volume in 2021, increasing it to an export capacity of 150 tons. Among the institutions supporting PODIE's journey, the Export Development Board features prominently, opening avenues for visibility by providing space for product display at international trade fairs. Thanks to the support given by the Export Development Board (EDB), in the last two years alone, PODIE was able to generate forex to the value of euros 168,000 from transactions with new buyers.

PODIE has won accolades for its role in promoting safe farming practices and producing user-friendly nontoxic food. The organization was selected from 2001 to 2003 as the gold winner in the best food processor small scale category by the Sri Lanka Food Processors Association (SLFPA). In addition, PODIE also bagged the country award among BIMSTEC countries for the best food processor in the small-scale category in 2003, facilitated by the SLFPA. In 2019, PODIE won the gold award in the western province's agriculture, livestock, and fisheries sector.

Having chosen to work with individuals from diverse backgrounds, PODIE embraces a vulnerable group of people who have historically worked in informally paid jobs and are at risk of unemployment. The transformation it has brought into the lives of the farmers is not just giving them the security of work and a fair price for their output. They have nurtured them into valuable assets of knowledge on homegrown safe cultivation practices and biodynamic methods of agriculture to control fungus and pests used by our ancestors and transitioned them into a futuristic trajectory where protecting the environment is the inviolable task of humans. Organic farming is one giant step among a plethora of practices that need to be set right for the sustenance and survival of the planet. ■

## PRESERVING ORGANIC FRUITS

# Safe Farming and Fair-Trade Favor to All of Humanity: Worga Naturals

Worga Naturals is a supplier and processor of premium quality organic certified fruit and spices to the export market. Founded in 2013, through its ethical and fair-trading practices, the company has reached nearly US\$ 1 million in annual export value.



Worga Naturals are specialists in supplying organic dehydrated fruits across the country and globally.

There's something wholesome in eating banana blossom as vegan fish and jackfruit as pulled pork. They are contemporary inventions from two of the oldest and most typical trees growing in Sri Lanka's home gardens. Perfected for Europe and the USA markets, the fruits in these innovative offerings are century-old food staples. The banana blossom and the jackfruit are considered two

of the most accessible foods that have kept a nation nourished. For the natives, these fruits suffice for the main meal. Offered to a global market by Worga Naturals, they are an ode to our colorful native cuisine enriched by two truly modest yields of nature.

Worga Naturals grows, processes and supplies organic certified fruit and spices. The company sources raw material from their organic farms and

a network of more than 1,000 families with smallholding organic fruit farms. Established in 2013, Worga Naturals started cultivation on five acres of land in the outskirts of Colombo, cultivating crops for raw material for exporters and food processors in Sri Lanka. Due certifications from global standards accompanied this progress. As the demand for organic certified raw material increased, Worga invited





Nishantha Jayathilaka,  
Chairman and  
Founder, Worga  
Naturals.

smallholding farmers to join the program and increase its capacity. As the business grew, Worga ventured into value-added products and raw materials and started processing operations in 2017 with 15 employees.

Nishantha Jayathilaka heads Worga Naturals. He is the founder and chairman steering the initiative to place Sri Lanka visibly on the map as an organic jackfruit provider to the vegan/alternative meat market and exploring new ways to create value-added vegan products. He is on a mission to offer the best of Sri Lanka to the world. He sharpened his skills with a family background in farming, education in agriculture, and work experience from an agri-business company. He strategically planned to leverage the visible market shift in Europe and the USA for organically certified food. At the end of a fairly extensive career in the private sector, Nishantha had substantial knowledge and knew the fundamentals of the operational nitty-gritty of the export ecosystem in organic food. That included establishing a presence in the industry among multiple stakeholders and vital points of contact.

Venturing on his own was also an opportunity to become a role model in best farming and food production practices. His guiding principles supported smallholders by giving them a fair price for their products and

building a relationship to help them develop sustainably.

In a conventional relationship, which Nishantha experienced while working in agri-business, there often existed a gap in expectations between farmer and buyer. Naturally, as is often the case, the odds were not in favor of the farmer. For instance, the farmers,

who grew exclusively for the company, hoped to sell their entire produce. They gambled on the belief that the company would buy the complete harvest. However, that was not the case post-harvesting. Guided by market demand and conditions, the company would purchase only its requirement, often causing friction and skewing interests. Realizing that there's a better and healthier way to engage in business for a win-win outcome, Nishantha embraced a business ethos to flatten the inequity in favor of all concerned.

As a grower, processor, and supplier of organic certified fruit and spices, more than 2,800 acres are currently under organic certification. Its products include organic dehydrated fruits, organic fruit pieces in juice, organic fruit powder, organic king coconut, organic puree and juices, and organic spices. A team of experts and food tech specialists with years of experience and knowledge in the industry drive the company's strides into the future. With a strong focus

**Nishantha had substantial knowledge and knew the fundamentals of the operational nitty-gritty of the export ecosystem in organic food...His guiding principles supported smallholders by giving them a fair price for their products and building a relationship to help them develop sustainably.**

Packed with benefits, banana blossoms are sourced from local farmers before being washed, cut, and packed with 1% brine solution. The product is then capped, sterilized, sorted and packed.





Left: Organic processed and dehydrated fruits in packets.  
Right: Organic fruit powder.

on empowering women, Worga provides opportunities to local community members to build and grow respectively. Primarily employing women from the surrounding area and funding Fair Trade initiatives for employees and farmers, Worga has received certification from EU Organic, USDA Organic, JAS Organic, Naturland, and the Fair Trade Sustainability Alliance.

By 2020 Worga certified its facility, which employs nearly 50 now, with the British Retail Consortium, an international food safety management system. The good thing is that even during the height of the pandemic and the resultant lockdowns, the company operated its factory to total capacity while helping its farmers, primarily smallholders and farmer groups, with regular income by buying raw material. Factory employees were able to work with total monthly wages and receive their bonuses despite the pandemic. All the while, the company was able to serve its overseas customers and local exporters.

Worga aims to be an exemplary organization in its business model as well as in transactions. The company wants its business practices to impact the sector it deals with and be a role model for Sri Lankan businesses in general. Hence by receiving the certification of the World Fair Trade Organization in 2019, the company explicitly states its role in protecting the interests of its producers. This mission-led focus, with a commitment to adhere to the ten principles of Fair Trade, placing the planet and the people in the forefront, ultimately positively impacts some of the most vulnerable and marginalized groups in rural Sri Lanka.

The company's commitment to creating a better world means that it has to provide the space for women to benefit from this initiative because women make the majority of the workforce in the community of fair-trade businesses globally. While 50 percent of Worga's farmers are women, its processing facility provides 90 percent job opportunities to women. Moreover, as its operations have expanded into the villages, people are recruited from the surrounding villages, allowing the company to support their livelihoods by committing to pay them a fair price.

Worga Naturals is undoubtedly establishing its credentials as a private business with the producer's interests at heart by decisively stepping into a socially conscious and socially responsible platform. Further cementing its emphasis on supporting business sustainability and creating a balanced and just business model and environment, Worga in 2021 applied to obtain FLOCERT certification contributing to making global trade non-discriminatory. They resonate well with the company's policy to play its part in honoring the SDGs in all its efforts.

Worga's processing facility has four different product lines for the dehydration of tropical fruits, canning and bottling of fruits, and a powder line and frozen fruits for export. Worga Naturals was the first to introduce jackfruit meat powder to Europe and jackfruit seed powder for the confectionery industry. And the jackfruit is the company's best-seller in the foreign market. Jackfruit is one of the most everyday trees cultivable organically. Unfortunately, its benefits are partially harnessed, with more than

50 percent of the parts getting wasted. By processing such wasted amounts for consumption, Worga is supporting the owners of jackfruit trees.

The support of the EDB accompanied by opportunities to learn through participation at global trade fairs has always been Worga's crutch for future expansion. Worga Naturals was for a while only a supplier to local exporters. Thanks to the facilitation of the EDB and the Import Promotion Desk in Germany, Worga was able to visit international trade fairs, especially BIOFACH, the world's biggest international organic trade fair, allowing Worga to meet buyers and become part of the export ecosystem. Today, Worga Naturals directly exports 60 percent of its products to the European market. Many State institutions have helped the company's journey. At the same time, specific rules and regulations can be the very obstacles preventing brilliant businesses from expanding, sometimes even leading to neglect and closure. That cannot be the norm, but an exception means that companies operating in this authentic space must always be sustained and supported. The benefits accrued to the stakeholders in this value chain are multiple. It's more than words that refer to women's upliftment, rural economic revival, and farmers' development. Only action at the ground level will deliver the benefits to the varied stakeholder groups.

As a country, Worga sees immense potential in fully subscribing to the global march towards cultivating good food through safe farming methods. As a company that has successfully shifted to exporting only organic certified fruit and spices, the





Worga Natural's team empowers women and there is equal opportunity for work and space.

company sees exponential growth for this segment in the global market due to its growth in leaps and bounds in the future. Sri Lanka, a tropical of abundant raw material, can leverage this opportunity through innovation and product development investment. As Nishantha sees it, what drives them is the human proclivity to taste and savor new food, and it is for Sri Lanka to use its potential to capture the million-dollar market out there. In a competitive and evolving landscape, an SME like Worga has to be on its feet, constantly watching, realigning, and updating its approaches and vision, innovating and refocusing strategies. These have been Worga's mantra for success and growth.

As the emphasis on consuming safe food gains momentum, Sri Lanka can certainly adapt and transition to good farming practices for better gains, says Nishantha. Sri Lanka is in a strategically important position. Issues concerning pests and plant diseases are minimal compared to other countries. As we advance, Sri Lanka has a promising future in adopting organic farming. What matters is planning and dedication to the mission. More than anything, the bona fide intention of any project is what sees it through every challenge to emerge victorious finally.

"As a country, if the intention is to bring about the greater good, then transitioning to organic products reduces public health risks to farmers,

**Worga Naturals was the first to introduce jackfruit meat powder to Europe and jackfruit seed powder for the confectionery industry. And the jackfruit is the company's best-seller in the foreign market. Jackfruit is one of the most everyday trees cultivable organically.**

their families, and consumers by minimizing their exposure to toxic and persistent chemicals on the farm. It also includes the food, the soil they work, the air they breathe, and the water they drink. By offering organic food products, consumers can choose products produced without toxins," said Nishantha.

Not only does organic production help reduce public health risks, but mounting evidence also shows that food grown organically is rich in nutrients. Organically grown fruits and vegetables are less exposed to pesticide residue than conventionally grown products.

The concept encourages and invests in the stakeholders through capacity building and training exercises. The company's internal control systems follow the idea with utmost stringency, whose officers are

responsible for all the extension work, including regular visits to farmers, inspecting their work, resolving issues, and recruiting new farmers. The commitment ensures that farmers have a buyer throughout the year, notwithstanding the market dynamics or crop availability, giving farmers the confidence to work for Worga Naturals.

With the immense potential for growth in the global market, Worga, as an SME in the food and agriculture sector, is ignited with excitement to be the best organic food processing company in Sri Lanka. In doing so, it will vigorously invest in R&D and build capacity across the board, empower the local organic farming community and support the rural economy, harness the payback, and contribute effectively to Sri Lanka's forex reserves. ■

## ORGANIC FARMING PRACTICES

# SOFA Is Changing The Way We Eat

The Small Organic Farmers' Association (SOFA) is a social enterprise of small-scale farmers growing organic certified tea, coffee, spices, and vegetables for the market and home consumption. Many trading partners purchase and market their fair trade tea and spices for export to global markets under trade agreements beneficial to the farmers.



Environmental development programs conducted by SOFA.

In Gampola, a township in the central hills, SOFA began its journey in 1996 with a small group of farmers supplying conventional tea leaves to factories registered as suppliers with the Tea Board. Dr. Sarath Ranaweera invited those farmers to join the SOFP

(Small Organic Farmers' Project), which Bio Foods set up to supply green leaf without any intermediaries directly.

Dr. Ranaweera, Chairman and Managing Director of Bio Foods, started such a project to support small

farmers in developing their social welfare standards by certifying them and giving them a fair price for their produce.

This project was named SOFP to identify it, although the officers of Bio Foods handled all matters





Bernard Ranaweera,  
President, Small  
Organic Farmers'  
Association (SOFA).

of administration, processing, and export-related activities.

Sometime later, farmers of two villages out of four supplying green leaf to SOFP voluntarily formed village societies in their villages to engender their social welfare development. Inspired by the work carried out by the village societies, farmers in the other two villages also formed village societies as they too desired social welfare development within a democratic system. These village societies later came together to create a single welfare society, having learned of the benefits of that system. In 1998, when representatives of the Fairtrade Labeling Organization visited to validate the operations of the farmer group, they found that the farmer organization practiced principles and objectives similar to the FLO. Significantly, the independence, democratic decision-making system, non-discrimination were the reasons for Fairtrade to identify this as a welfare society suitable to receive the Fairtrade certificate.

Following Fairtrade certification, this welfare society required legal registration to receive premium money (foreign currency) directly from Fairtrade International. The organization had to register with the Social Services Department in 1999 to receive the first premium payment from Germany. After its gradual expansion, this society was

converted to the Small Organic Farmers' Association (SOFA) and registered with the Local Government Department in 2001. Today, it has become a reputed farmer association in the world.

Bio Foods mainly focused on certifying the farmers as organic farmers and giving them a fair price, implementing field demonstrations and awareness programs, maintaining organic standards, direct leaf purchasing at the field level to prevent intermediaries. Due to this Bio Foods project, the farmers benefitted from a fair price and knowledge on organic farming. Even today, Bio Foods maintains its partnership with SOFA while purchasing raw materials from

SOFA farmer members for processing and exporting.

Today, SOFA boasts of more than 3,600 farmers in five regions in Sri Lanka producing the organic raw material in compliance with accepted global standards in organic farming and fair trade principles. They go to markets in Europe, the USA, and other regions in the world.

What started with four farmer associations as branches of the main body has grown to more than 50, extending beyond the Central Province. Farmers outside witnessing the progress and radical departure from the norm desired to join the program. A guaranteed market for produce and income and the emphasis on the socio-economic development of stakeholders was an incentive for newcomers to join the program. As a result, today, farmers are growing spices in the Matale District in the Central Province and the Galle District in the Southern Province. As Bio Foods started new projects in the above-mentioned regions (Matale, Uva, and Down South) the farmers were encouraged to join the SOFA to enhance their socio-economic standards and it brought many benefits to Bio Foods as well as to SOFA.

Tea production now extends to the Uva Province. Most tea growers also cultivate spices as an additional product, mainly pepper, lemongrass,

Distribution of  
Cinnamon and  
Coconut plants.





Decision-making with the involvement of individual farmer organizations.

vanilla, ginger, and cinnamon. Since receiving its first validation from the Fairtrade Labeling Organization, in 2006 SOFA obtained fair trade certification for a range of spices such as vanilla, cardamom, nutmeg, mace, cinnamon, cloves, black pepper, white pepper, ginger, turmeric, rice, processed coconut, mint, and lemongrass receiving fair trade certification.

The farmers working in farmer organizations under SOFA grow tea, coffee, cloves, pepper, vanilla, ginger, turmeric, lemongrass, and citronella mainly as cash crops. The vegetables cultivated are chilies, beans, tomato, and eggplant grown for home consumption and sale at local markets. SOFA farmers maintain

individual organic compost vital to organic farming and liquid manure centers within the societies.

SOFA's organizational structure departs from a strictly hierarchical decision-making order by assuming a democratic process. At the core of its actions is the key objective to boost the socio-economic standard of the target groups, which guides and drives all its operations, especially decision making. There is unity and an equal voice for every farmer connected to the organization. Equality pervades every SOFA activity, not just on paper, but in action, thereby ensuring that all forms of discrimination based on gender, religion, caste, and age have no place in the organization.

A good case demonstrating the democratic organizational structure is SOFA's governance protocols. The parent company or umbrella organization headquartered in Matale oversees the activities of farmer organizations at the community level. The umbrella organization consists of representatives from these branch organizations, also described as societies. Annually, every farmer organization elects farmers to represent their interests with the

Karunawathie has been a part of the working committee, and a board member of the NAPP.

**As a social enterprise, SOFA extends its mandate to helping members improve their livelihoods. In adopting a more holistic approach, the umbrella organization aims at the long-term development of its stakeholders.**







umbrella organization. Accordingly, representatives of individual farmer organizations make representations with the main body. They voice their opinions and submit proposals to the parent organization to prepare an annual development plan for approval at the AGM. This process gives producers the authority to democratically maintain an enormous degree of control of the entire gamut of operations in the organization. Thus, development programs become relevant and doable because they are not alien or transplanted from elsewhere to those on the ground but instead based on the opinions, ideas, and suggestions given at the village level by the farmers in the branch organizations. Further, information from the main office gets systematically disseminated among the farmer organizations. The annual progress review report, statement of yearly expenses, branch level expenses report, premium payments are provided to all branch-level members from every region through their representatives at the AGM. Their appointed representatives duly convey the information to the team in their branch.

## Women's development is also high on SOFA's agenda. SOFA has created a safe environment for women to lead. It has nearly 50 percent women's representation on its board.

In becoming an exemplary organization, SOFA has underscored the importance of following an all-encompassing work ethic. Hence, democratic decision-making and non-discrimination go hand in hand with protecting women and children. As an organization committed to fairtrade principles, such values are sacrosanct. Therefore, SOFA incorporated them into its constitution to strengthen protection and monitoring mechanisms and prevent instances of child labor.

As a social enterprise, SOFA extends its mandate to helping members improve their livelihoods.

In adopting a more holistic approach, the umbrella organization aims at the long-term development of its stakeholders so that their growth would benefit not just one family but an entire community, a village, and finally, the country.

Part of the intervention is inculcating values in prudent financial management. Children's education is an important area of focus, where farmer families receive the stimulus to push their children to pursue schooling and higher education. The organization steps in to set up preschools and provide stationery and scholarships, and library facilities

Top left: empowering women. Top right: completion of water project to improve livelihoods. Below left: creating work opportunities for everyone. Below right: the organization steps in to set up preschools and provide stationery and scholarships, and library facilities to students in the underprivileged areas.



Environmental Development Programs are part of the Company's objectives towards environment-friendly practices.

to students in disadvantaged areas. Women's development is also high on SOFA's agenda.

SOFA has created a safe environment for women to lead. It has nearly 50 percent women's representation on its board. By encouraging self-employment among women, they become economically independent and active contributors to their income and development. Selected women are trained in various skills and loans to begin a business. This way, hundreds of women have received training and loan facilities to launch self-employment projects. The values that SOFA commits to promoting are evident

in the testimonies of the farmers. Karunawathie is a female farmer who has grown immensely, harnessing the opportunities to develop herself and her family since her association with SOFA. She claims that SOFA's focus on protecting women and committing not to discriminate against them has opened the door for women to assume leadership positions where they are part of the decision-making process. Female farmers like Karunawathie have had the opportunity to attend international programs abroad to showcase their growth and the power to serve fearlessly in the societies in which they hold leadership positions.

Karunawathie has worked as assistant treasurer on the working committee, including as a board member of the Network of Asia and Pacific Producers (NAPP). NAPP consists of fairtrade-certified smallholding producers. That demonstrates that SOFA's business model transcends beyond a mere transactional relationship to create value in the lives of its stakeholders. No longer are farmers in their orbit of operations considered mere raw material suppliers. They have been trained and elevated into leadership positions at the community level – that is, at the branch level, which allows them to be direct participants in the central organization's decision-making process.

SOFA also acknowledges the assistance given by the Sri Lanka Export Development Board in increasing opportunities for visibility in the global sphere of operations. Promoting SOFA and its business model of a social enterprise at renowned trade shows for organic products, such as BIOFACH, has helped win credibility among potential

**SOFA and its farmer organizations may operate in a niche market, but it's highly competitive and demanding...Their focus strategy is to remain at the top of their game by serving the designated group better than anyone else.**





Above: branch society meeting. Below: Organic tea plant nursery.

buyers, thereby helping it grow its business worldwide.

Sustainable environmental practices are also core to organic farming. Maintaining a relationship with the environment is always vital for these farmers. A strong sense of conscientiousness pervades their work code with a solid connection to their surroundings that drives them to protect the ground that sustains them at all costs. Therefore, sustainability and protecting the environment are critical objectives for SOFA. And this is an activity that SOFA practices constantly, reminding the farmers of maintaining good standards at all costs. This niche strategy has sustained SOFA's business model for so long and helped its stakeholders stay on track.

SOFA and its farmer organizations may operate in a niche market, but it's highly competitive and demanding. That means everyone has to be on their feet when honing the learning curve. Their focus strategy is to remain at the top of their game by serving the designated group



better than anyone else. Hence, capacity building is constant, with an overwhelming emphasis on learning and development. There are regular appraisals and revisions to align with global standards. All members of the farmers' collective receive tremendous support from the main office. The members receive new plants and seeds, organic fertilizer, and agricultural implements as an impetus to continue their environmentally friendly mission.

Most vitally, through hands-on training and field demonstrations, their knowledge in organic farming, good farming practices, and technology is continuously updated. By working together with farming communities, SOFA provides a great fillip to the global march towards adopting sustainable food systems while helping rural farmers improve quality of life, well-being, and ultimately, the sustainability of their smallholdings. ☐

GO DEEPER

# Presidential Export Awards

## Recognizing exporters who deliver the goods



**The Presidential Export Awards (PEA), organized annually by the EDB, recognizes exporters' outstanding contribution to the export sector and economic development.**

The importance of exports to Sri Lanka's economic growth is immense. Sri Lanka is rising the ranks as it expands its global export footprint. Exports offer thousands of small businesses access to a broader international market to sell their products. Notably, while exports are helping Sri Lanka fatten its forex largess, its spillover effect overwhelmingly impacts people and industries in the export ecosystem. Higher exports create more employment opportunities. It also increases a country's per capita income. Against this backdrop, the Sri Lanka Export Development Board (EDB), the apex agency representing the interests of this invaluable block of entrepreneurs, is stimulating the growth in the sector while constantly being the fillip to help exporters develop.

The Presidential Export Awards (PEA), organized annually by the EDB, recognizes exporters' outstanding contribution to the export sector and economic development. The PEA is the highest and the most prestigious award presented by the President of Sri Lanka.

The 24<sup>th</sup> PEA, which recognized 63 outstanding export companies of Sri Lanka for the financial years 2019/2020 and 2020/2021, is an essential barometer in a volatile global trade regime.

The latest PEA crowned key exporters helping Sri Lanka's economic recovery amid a pandemic-driven landscape. The Business Lanka magazine will spotlight the award-winning collective of small, medium, and big businesses who made the mark for their role in driving economic transformation. [BL](#)





Visit us online to discover more  
**[www.srilankabusiness.com](http://www.srilankabusiness.com)**



**EDB**

SRI LANKA EXPORT DEVELOPMENT BOARD

