

Price Monitoring and Analysis Country Brief

Sri Lanka

February 2010

Key Messages

- The current retail prices of rice and wheat remain higher than the pre- food crisis levels of 2007.
- Large proportions of IDPs are likely to remain in refugees camps due to obstacles to their return to their places of origins.
- Different agencies agree that food insecurity remains a problem for a large sector of the population, particularly IDPs.
- The government has implemented measures to support consumers.

Background

The total population was 20.15 million in 2008, with a 0% annual growth rate. The proportion of people living in rural areas was 85%, however the agricultural value added to the GDP was 13%, while the undernourished population was 21% in 2005.

Economic Indicators	View Data
Total Population - 2008 (WB)	20156204
Population growth rate - 2008 (WB)	0%
GNI per capita, \$ PPP - 2008 (WB)	4460
Population below 1\$ PPP per day - 2002 (MDGI)	13%
Rural population - 2007 (WB)	85%
Agriculture, value added (% of GDP) - 2008 (WB)	13%

Food Consumption	
Undernourished Population - 2005 (FAO)	21%
Cereal share in total dietary energy consumption - 2005 (FAO)	56%
Meat share in total dietary energy consumption	n.a.

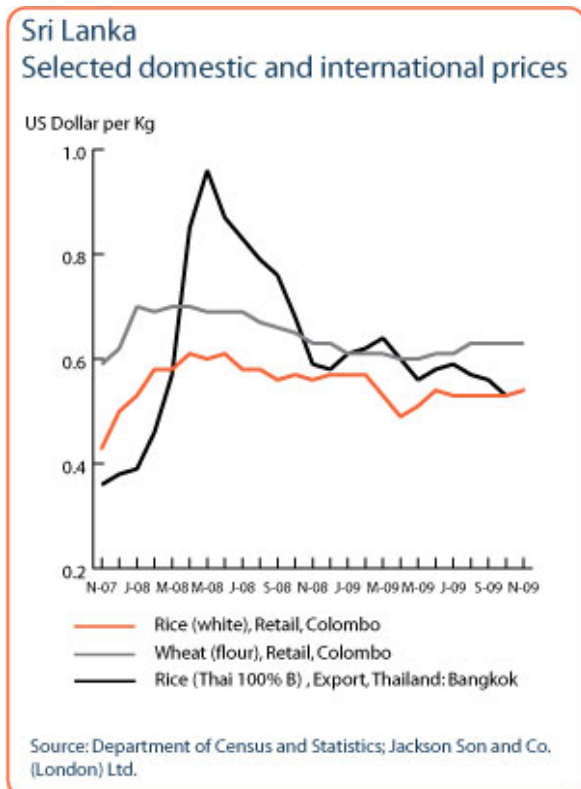
Health Indicators	
Pop. with sustainable access to improved sanitation - 2006 (WHO)	86%
Life expectancy at birth (years) both sexes - 2006 (WHO)	72
Pop. with access to improved drinking water sources - 2006 (WHO)	82%
Prevalence of HIV among adults aged >= 15 years - 2005 (WHO)	0%

Prices

Rice and wheat flour prices remain high but stable since the beginning of 2008. Rice price in Colombo, has followed the Thailand export price for the last three years, except that Sri Lanka managed to avoid the sharp upward spike in prices that occurred in international prices around May 2008. Government imports and subsidised rice policy have played a role in this. The retail price of rice has been stable for last two years around 60 Rupees/Kg up from 35 Rupees/Kg during 2007. In January it was 66 Rupees/Kg. Rice prices in Colombo were 36 % higher (578 USD/Ton) than international prices of White Broken Rice, Thai A1 Super, fob Bangkok (426 USD/Ton).

Natural Disasters, Drought and Conflicts

Sri Lankans have voted in the country's first presidential election since Tamil Tiger rebels were defeated after more than 25 years of civil war. President Mahinda Rajapaksa has won against his former army chief Gen Sarath Fonseka. According to UNHCR more than 280,000 people were displaced after the war ended in May 2009, while an additional 300,000 are also in need of a permanent solution. However there are risks and problems such as mines and widespread destruction which are hampering the return of people to their districts.



Source: GIEWS Country Briefs

Refugees and IDPs	2006	2007	2008
Total in the country	559242	620547	528001
Total outside the country	683213	761099	672148

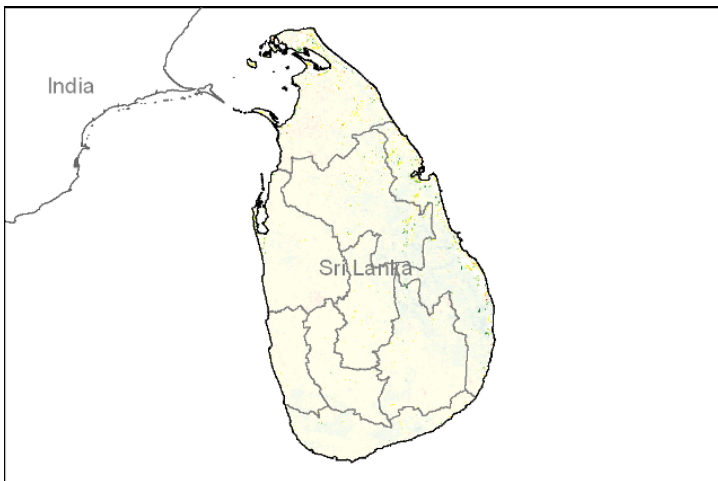
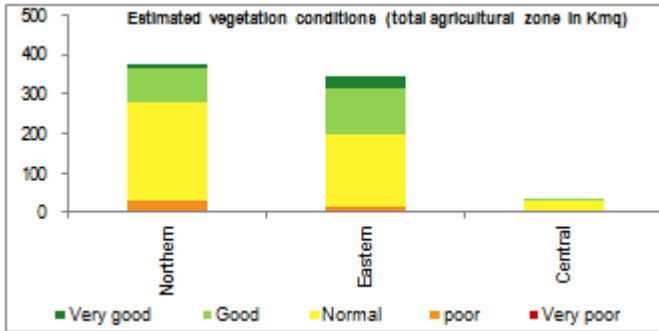
Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/10/2009.

Disaster Type (last year)	Date	Location	Alert
Flood	2009-12-14	Eastern Province	2/3
Flood	2009-11-21	Colombo	2/3
Flood	2009-08-15	Northern	2/3

Source: Global Disaster Alert and Coordination System - 3 = 1000 or more people killed or 800000 or more people displaced. 2 = 100 or more people killed or 80000 or more displaced.

Vegetation Condition

At this stage of the crop season, normal to good vegetation conditions are observed throughout the country. The general indicator of vegetation condition provided below is the relative difference between the NDVI for January 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the GLOBCOVER land cover database (2005).



Source: JRC MARS – FoodSec

Food Security Situation

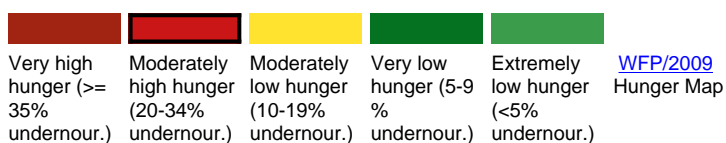
Despite the above average food supply at the national level, food insecurity exists in the northern and eastern war-affected areas of the country. GIEWS reports severe localized food insecurity in the short term; WFP and IFPRI describe the hunger problem as moderately high and serious in the long term.

CURRENT EMERGENCY ASSESMENT



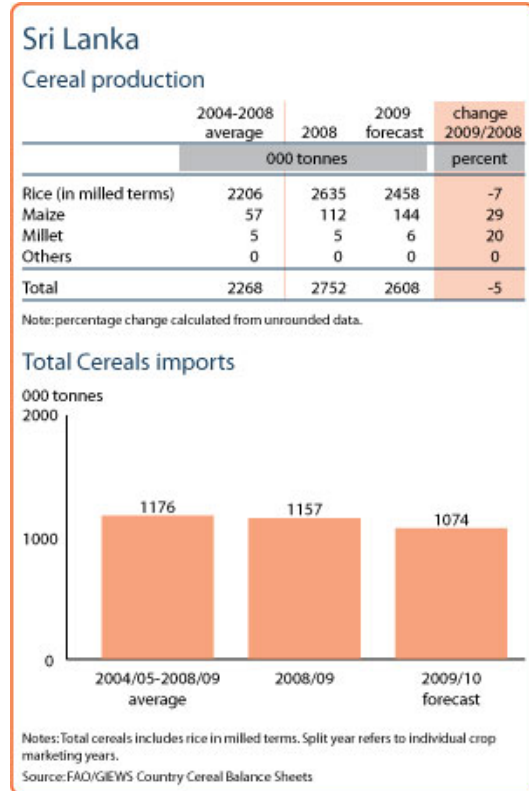
Sri Lanka is not covered by FEWSNET. FEWSNET coverage is limited 14 African countries 1 Caribbean (Haiti) and 1 Central Asia (Afghanistan). Food security status is given for different parts of the country in each case.

SCALE OF HUNGER



Food Balance Sheet

Paddy production for the secondary Yala season is officially estimated at 1.268 million tonnes, 28% below the last year's bumper harvest, but 11% above the previous five year-average. Rice production in 2009 was estimated at 2.49 million tonnes of milled rice. The estimated import requirements for 2009/2010 are around 1 million tonnes, compared to 1,157 million of 2008/09.



Source: [GIEWS Country Briefs](#)

Government Policies

The Government has allowed import of 25,000 tonnes of rice for the festive season, of which high quality varieties (Basmati and Ponni Samba) will be imported duty free. Import tax on sugar has been reduced.

Consumer and market oriented measures	Reduced VAT and other taxes.
Producer oriented measures	n.a.
Trade policy measures	Reduced of tariffs on imports.
Safety net (increased or introduced)	n.a.

Different sources

Current events to watch (Click to see the full report)

No News Found

For more information, contact: Information-for-action@fao.org
Website: www.foodsec.org

Powered By the [GIEWS Workstation](#)

The Linking Information and Decision Making to Improve Food Security Programme is funded by the European Union and implemented by the Food and Agriculture Organization of the United Nations.