

Price Monitoring and Analysis Country Brief

Sri Lanka

May 2010

Key Messages

- Prices of rice and wheat significantly decreased in recent months however they are still much higher than pre-food crisis levels.
- The political situation has stabilized and the government in collaboration with UNHCR is supporting the return of refugees to conflict-affected areas.
- There is general consensus among agencies on a severe problem of hunger in the short and longer term.
- Government policies aim at supporting producers through import tariffs and price support measures.

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

In Colombo, rice prices have decreased from January prices (66 rupees/Kg) and have stabilized at around 52 rupee per Kg in recent months. Prices ranged between 52.09 in April and 52.69 in May. Wheat prices have also followed the same decreasing trend. In January prices had fallen to 61.9 rupee per kg from December 72.6 rupee/kg in Colombo. In recent months wheat prices continued to decline until April (60 rupee/kg), though slightly rising to 61.79 rupee/kg in May. However prices are still higher compared to pre crisis levels. In April 2007 rice prices were at 32.8 rupee/kg. In May rice prices in Colombo were 33% higher than international prices of Rice Thai A1 Super (456.56 USD/T compared to 342.33 USD/T).



Source: [GIEWS Country Briefs](#)

Natural Disasters, Drought and Conflicts

The Government of Sri Lanka (GoSL) is supporting people going back to former conflict zones. Since late March, the majority of the returnees have occurred at Jaffna, Kilinochchi, and Mullaitivu districts in northern Sri Lanka. According to the UNHCR, the number of internally displaced persons (IDPs) in northern Sri Lankan displacement camps decreased to around 80,246 during April. In mid May the country was hit by heavy monsoon rains which resulted in flash floods, high-winds, landslides and thunder storms in 11 districts in southeast and northeast Sri Lanka, where over 298,543 persons have been affected.

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

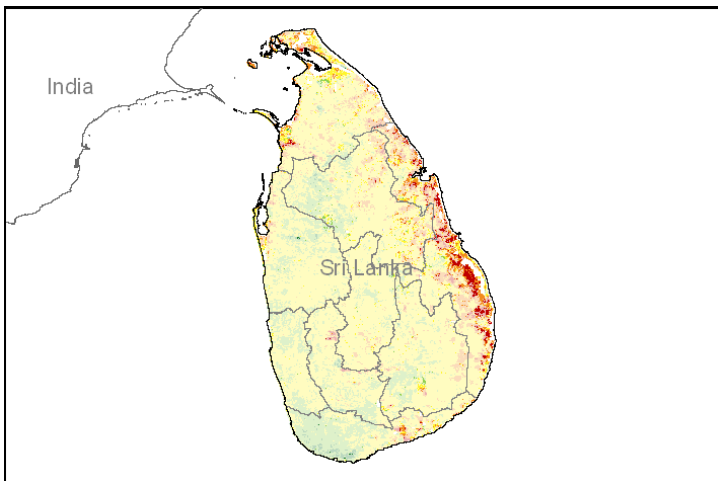
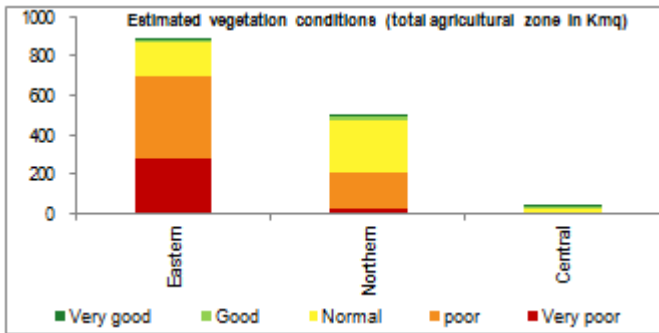
Source: [UNHCR Statistical Online Population Database](#), United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/10/2009.

Disaster Type (last year)	Date	Location	Alert
Flood	2010-05-08	CentralandSou	1/3
Flood	2009-12-14	EasternProvinc	1/3
Flood	2009-12-14	EasternProvinc	1/3

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

Poor to very poor conditions are observed in the eastern part of the country. The general indicator of vegetation condition provided below is the relative difference between the NDVI for April 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

WFP is supporting people who return to their areas of origin with food rations for a six months time period. Food insecurity persists in the northern and eastern war affected areas. In the short term GIEWS estimates severe localized food insecurity. In the long term WFP predicts moderately high hunger while the IFPRI expects a situation of serious hunger.

CURRENT EMERGENCY ASSESSMENT

Exceptional shortfall in aggregate food production supplies	Widespread lack of access	Severe localized food insecurity	FAO/GIEWS CPFS 2010
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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. [FEWSNET](#)

SCALE OF HUNGER

Very high hunger (>= 35% undernour.)	Moderately high hunger (20-34% undernour.)	Moderately low hunger (10-19% undernour.)	Very low hunger (5-9% undernour.)	Extremely low hunger (<5% undernour.)	WFP/2009 Hunger Map
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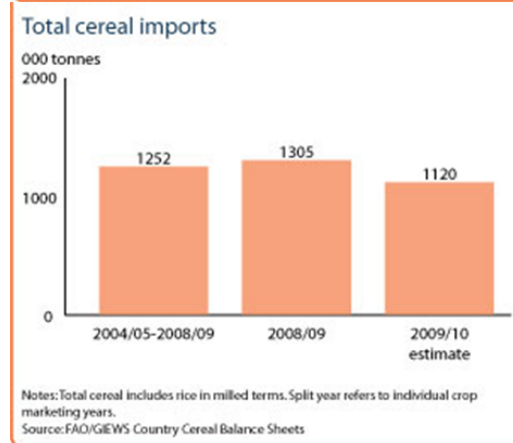
Extremely alarming	Alarming	Serious	Moderate	Low	IFPRI/2009 GHI
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Food Balance Sheet

Planting of 2010 second season Yala rice and maize are underway. The 2009 total rice production was estimated at 2.6 million tonnes which is above the 2.2 million tonnes in 2008. FAO preliminarily forecasts indicate that the 2010 total paddy harvest is about 4 million tonnes. Rice imports for 2010 were estimated at 40,000 tonnes, while wheat imports at around 1 million tonne.

	2005-2009 average	2009	2010 forecast	change 2010/2009
	000 tonnes			percent
Rice (paddy)	3449	3652	4000	10
Maize	79	144	144	0
Millet	6	6	6	0
Total	3533	3802	4150	9

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



Source: [GIEWS Country Briefs](#)

Government Policies

The Govt applies a seasonal tariff on rice imports to protect farmers, which is currently selling at 25 Rupee/Kg. About 4 billion Rupees were requested for the Paddy Marketing Board (gov. owned) to purchase around 140,000 tonnes of rice during the current harvest season. The wheat import duty was raised to 15% in the 2009 budget and a cess (levy) of 5% was imposed on wheat flour imports. The Govt is also subsidizing inputs.

Consumer and market oriented measures	n.a.
Producer oriented measures	Price support and govt input subsidy.
Trade policy measures	Tariffs on rice imports.
Safety net (increased or introduced)	n.a.

Different sources

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

- [SRI LANKA: Returning IDPs face lack of clean water, landmine thr...](#)
- [SRI LANKA: Colombo braces for dengue outbreak](#)
- [SRI LANKA: Disease warnings for flood returnees](#)
- [SRI LANKA: New deadline for IDP resettlement](#)
- [SRI LANKA: De-mining efforts face funding shortfall](#)

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

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