

Voluntary Report – Voluntary - Public Distribution

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Report Name: COVID-19 and Food and Agriculture in Sri Lanka - Update on Impact of Lock down March 20

Country: Sri Lanka

Post: Colombo

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Report Highlights:

On March 19, Government of Sri Lanka (GOSL) declared a partial shutdown of all ports and a nationwide lock-down since March 20. Disruptions to food distribution exist in some parts of the country but no food shortage is imminent in short run; GOSL is working to deliver essential services and carry out essential trade and distribution. Although agriculture supply chains have been disrupted, proposed GOSL actions should ensure resumption of trade for essential goods. As a precaution, to overcome any shortfalls in food imports, plans exist to cultivate essential field crops domestically.

Background:

With reporting of the first local person infected March 10 with COVID-19, the government of Sri Lanka (GOSL) announced the closure of schools nationwide. In the weeks since and with the increasing number of cases confirmed, GOSL has taken the following measures to stop or slow the spread of the disease.

GOSL declared March 16 to 19 as public holidays to minimize in-office transmission of the infection. A nationwide curfew for 7 days was declared on March 20. Except for essential services, public and private sector employees were requested to 'work from home'. A national curfew has been extended since then indefinitely, with exceptions allowed to access essential services, except in the higher risk areas of the Western province, which includes Colombo. Inter-district movement is prohibited. On March 19, GOSL declared a partial shutdown until March 25 of all the ports as well as Bandaranaike International Airport, for inbound passengers (for the first time in 19 years). Since then, the closure was extended indefinitely.

To counteract the adversities faced by the COVID-19 pandemic, a Presidential Task Force was established on March 26. The Task Force seeks to ensure the delivery of uninterrupted essential services for all communities, with priority for those most at risk. The task force will coordinate and monitor provincial and district administration activities; rural economic activity, including providing seeds and fertilizer to farmers; national economic activity, including rural agricultural produce transport to urban consumers; utility services (electricity, water supply and waste management); supply of fuel and gas; passenger transport services; and supply, distribution and price control of essential food items and medicines.

Imports and Exports

Air cargo and sea cargo processing remain open for essential goods subject to health and safety measures already notified. Essential staff members who are still permitted to report for duty include all labor related to cargo handling. Initial delays in cargo dispatch and clearance have largely been overcome by improved handling processes under the management of Sri Lanka Ports Authority (SLPA). SLPA is expected to provide a relief package for the shipping sector which will include: exemption of ships from entry and demurrage charges at ports; suspension of yard and warehouse rental charges; automatic extension of validity of harbor gate access permits for transport of vehicles and individuals during curfew; and issuance of licenses by police for private sector workers on essential services, on SLPA recommendation.

Port plant and animal quarantine services has limited the staff, whose capacities have been restricted under measures taken to limit spread of the COVID-19 virus. Two measures Sri Lanka Customs will introduce to improve efficiency include online information dissemination and payment processing. Priority is given for clearance of essential goods such as food items, perishable goods, medicines, medical devices, and more. Release of bulk commodities or raw materials for manufacturing of essential goods are also given priority, subject to approval.

On March 20, GOSL notified a ban on imports of live animals, animal products, and animal byproducts (meat and bone meal, bristles, hair etc.). No other agricultural commodities are restricted so far. Note: dairy products are NOT banned.

Currently there are no restrictions on export of agricultural commodities, although sources expect the government will not allow export of rice or any field crops to ensure national food security. Meanwhile, movement restrictions imposed by the curfew have disrupted supply chains of export crops. Some recovery is expected, with government measures in place to provide permits for movement of export commodities and related workers.

Availability of food

Rice is the staple food of Sri Lanka. Fortunately, the harvest from the major cultivation season, which started in February, is good. Together with existing stocks, the rice harvest will meet national requirements for 9 months. Sri Lanka in general produces adequate rice for domestic consumption, except for Basmati rice, which is not produced in Sri Lanka.

By contrast, Sri Lanka meets its entire wheat requirements through imports. Importers claim to hold stocks which are adequate for 3 months domestic consumption. Meanwhile, Post's source confirms the country has sufficient stocks of other essential commodities such as onions, lentils, and potatoes to meet demand for 3 months as well, since importers have prepared well for the annual April festive season (Mid-April is the Sri Lankan New Year). Sixty percent of Sri Lanka milk demand is met from imported milk powder. Stockouts on popular dairy products do occur, due to disruption of supply chains.

Agricultural production

Regarding agricultural production activities, farmers and fishermen are not subject to the restrictions of the national curfew in carrying out their livelihood. Nevertheless, movement restrictions of consumers have disrupted normal market practices, so prices for commodities have swung both high and low in search of equilibrium between supply and intermittent demand. The decision on April 7 to lock down for health reasons the major "economic centers", which are collection and distribution centers of fruits and vegetables, will impact both farmers and consumers. Much of the agricultural produce is collected (except paddy) at the economic centers. GOSL expects to introduce alternative methods of collection and distribution through government channels.

Products exempted from curfew movement restrictions include fertilizer. The Cabinet of Ministers has approved the purchase of chemical fertilizer beginning April 2020. The Department of Agriculture is drafting a cropping plan for the minor season, with more emphasis on import-substituting crops. This is a precautionary measure to face possible export restrictions of other countries and to release the pressure on the rupee exchange rate by reducing imports.

Food distribution

While adequate stocks of most essential goods exist in the short term, access is a major challenge. Access to goods is not the same across the country due to disruption of distribution channels. The sudden imposition of curfew and its continuation has confined the movement of people to restricted hours. As a result, huge queues occur during the hours the curfew is lifted. Some goods run out quickly as consumers buy in excess. In response, the government and the private sector are experimenting with new ways of distribution.

One new way of distributing food involves local government authorities and some of the local cooperatives providing home delivery of essential commodity packs at affordable rates. This is also being used for liquid propane gas for cooking. Similar initiatives are available for delivery of pharmaceuticals through state-owned pharmaceutical outlets throughout the country. Several private online purchase platforms have emerged recently, and even some of the leading retail chains have expanded their online platforms. Nevertheless, till now most online platforms are unable to meet rising demand even with a limited basket of commodities; they either meet their daily quota within a couple of hours or take a week or more to deliver goods. Though such services are welcome, they do face logistics challenges and not all the communities have benefited equally. To ensure food security among vulnerable low-income families and farmers who participate in the Farmer Insurance Scheme, an allowance of Rs. 5,000 is provided as an immediate relief measure.

Another state mechanism involves purchasing produce directly from farmers (rice excluded) and distributing directly to vendors who in turn distribute to consumers. Also, a maximum retail price (MRP) for big onion, red split lentil, and canned fish was imposed on March 18 to ensure an affordable price for essential food. Several GOSL actions ensure access to rice staples: rice milling was declared an essential service, and on April 10 the maximum retail price for rice became subject to review for affordability.

Attachments:

No Attachments.