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Report Highlights:

In MY 2020/21 Sri Lanka expects a healthy rice paddy harvest with a forecast of 4.4 million metric tons. The MY 2019/20 harvest would surpass the national target for self-sufficiency. Shifting of some paddy lands for cultivation of other field crop types will lower the MY 2019/20 rice crop to 4.1 million metric tons. Imports and exports will drop for both the marketing year and the out year as trade policies tighten in response to the pandemic. Wheat imports in the MY 2019/20 are down on tightened global trade and a depreciating Sri Lankan rupee. Both consumption and exports are down in MY 2019/ 20 but will recover in 2020/21. Though imports have slowed, stocks will rise slightly on even slower exports and reduced consumption; stocks will rise slightly again next year as imports resume.

COMMODITIES:

RICE

Rice is a mainstay in Sri Lanka's diet and lifestyle. Close to one quarter of the population is directly or indirectly involved in agriculture; about 40 percent of arable land is under paddy cultivation (Image 1: Annex). Production of paddy is favored in agricultural policy: the government gives support through provision of land, free irrigation water, fertilizer subsidies, and price supports.

Typically, there are two cropping seasons: the major season (*Maha*) and the minor season (*Yala*).

Production:

Sri Lanka headed for a healthy rice crop

Sri Lanka will have a bumper paddy harvest in MY 2019/20[1], for the second year in a row after the dips in drought affected years. Nevertheless, the MY 2019/20 crop will be marginally lower than the previous year, as the Government of Sri Lanka (GOSL) expects to change the cropping plan to meet the food security challenges arising from the COVID-19 pandemic. Paddy production in MY 2019/ 20 is 4.1 million metric tons from a total 951 million hectares (Ha); milled production is estimated to be 2.8 million metric tons in MY 2019/20, slightly lower from 2.9 million metric tons in MY 2018/19. Milled production of MY 2020/21 is expected to bump to 3 million metric tons, assuming normal weather conditions and average yields.

Production policies and trends

Sri Lankan rice production incorporates a comprehensive irrigation system which draws heavily from rain-fed reservoirs. Paddy is cultivated both under large and small-scale irrigation systems, and under completely rain-fed conditions. Typically, the *Maha,* or major crop benefits from annual monsoon rains, enabling larger plantings. The *Yala* or minor crop tends to have lower water availability, resulting in lower plantings and lower overall production. The *Maha* crop is typically harvested in March/April and provides about 60 to 65 percent of Sri Lanka's annual rice production. The *Yala* crop is typically harvested in August/ September and provides 35 to 40 percent of Sri Lanka's annual rice production.

Consecutive national governments have given prominence to paddy over other field crops in agricultural policies. Rice production policies include a producer price floor. The floor is not as effective as a production incentive, nevertheless, farmers favor planting paddy since it requires less attention. It also receives a generous package of subsidies and ultimately is more remunerative.

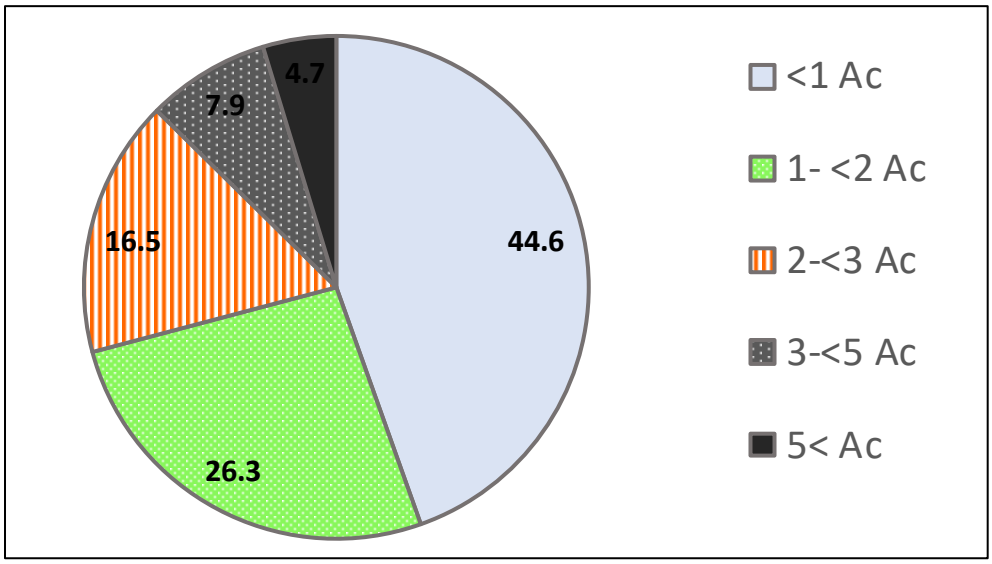
The development of irrigation systems has enabled farmers to resettle in dryer zones with dry but richer soils. The Accelerated Mahaweli Development Program initiated in the late 1970s is the largest irrigation program in the country. It is a multi-purpose development scheme designed for generation of hydroelectricity, irrigation, and water for domestic consumption. Irrigation water from major systems and renovation of old tanks helped expand land under paddy cultivation. Land settlers received high-land and low-land parcels for

[1] A marketing year (MY) is a 12-month period that corresponds to the onset of the bulk of the harvest of commodity. A trade year (TY) is designated by USDA as a 12-month period of time used to aggregate world imports of commodities on a common year basis, regardless of the local marketing year period. MY for rice is October to September and TY for rice is January to December, in USDA Grain and Feed Analysis for Sri Lanka.

paddy cultivation on leasehold titles. Legislation does not allow other crops to be cultivated on most paddy lands. Exceptions sometimes are allowed for alternative crops, depending on availability of irrigation water, which is provided at no cost through an extensive network of irrigation canals.

Paddy production is mostly the work of smallholder farmers in Sri Lanka. About 70 percent of the paddy holdings of the country are less than 2 acres (0.8 Ha) and 95 percent of the paddy holdings are less than 5 acres (2 Ha) (Figure1). Formerly paddy farmers with less than 2 Ha received a 90 percent fertilizer subsidy which gave a net price to farmers as low as Rs.500 per 50 kg (about 3 USD) bag of fertilizer. The fertilizer subsidy was a much-discussed topic during the presidential elections in November 2019, and it remains an important part of Sri Lanka's agricultural programs. The Cabinet has approved the purchase of chemical fertilizer from the world market for the 2020 *Yala* season.

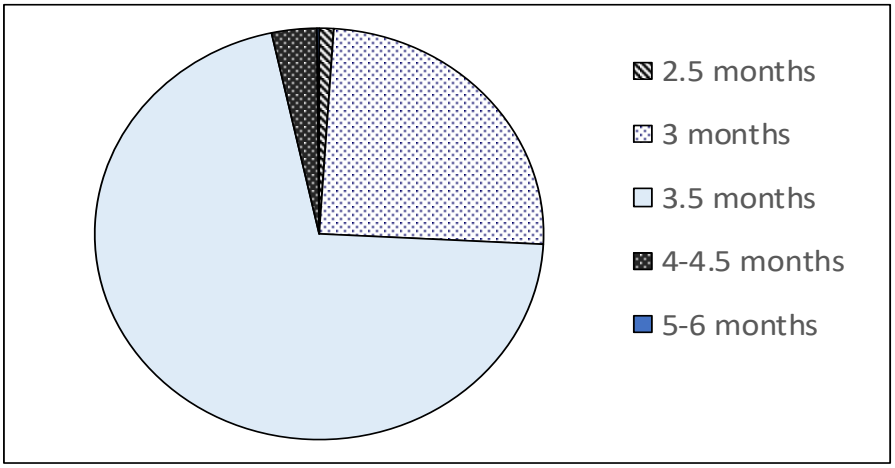
Figure 1: Number of paddy holdings by size Acres



Source: Economic Census 2013/14, Agricultural Activities, General Report, Department of Census and Statistics of Sri Lanka, 2018

About 99 percent of the farmers are cultivating new or improved varieties. Due to the prolonged dry weather conditions, farmers are advised to cultivate shorter duration varieties, which affects production figures. About 70 percent of rice cultivated is of the 14-week varieties. Only 4 percent of the paddy produced uses longer duration varieties (Figure 2). Notably, water availability and irrigation schedules affect farmers' choices of planting varieties.

Figure 2: Annual extent of paddy cultivated by age group of new improved varieties – 2017



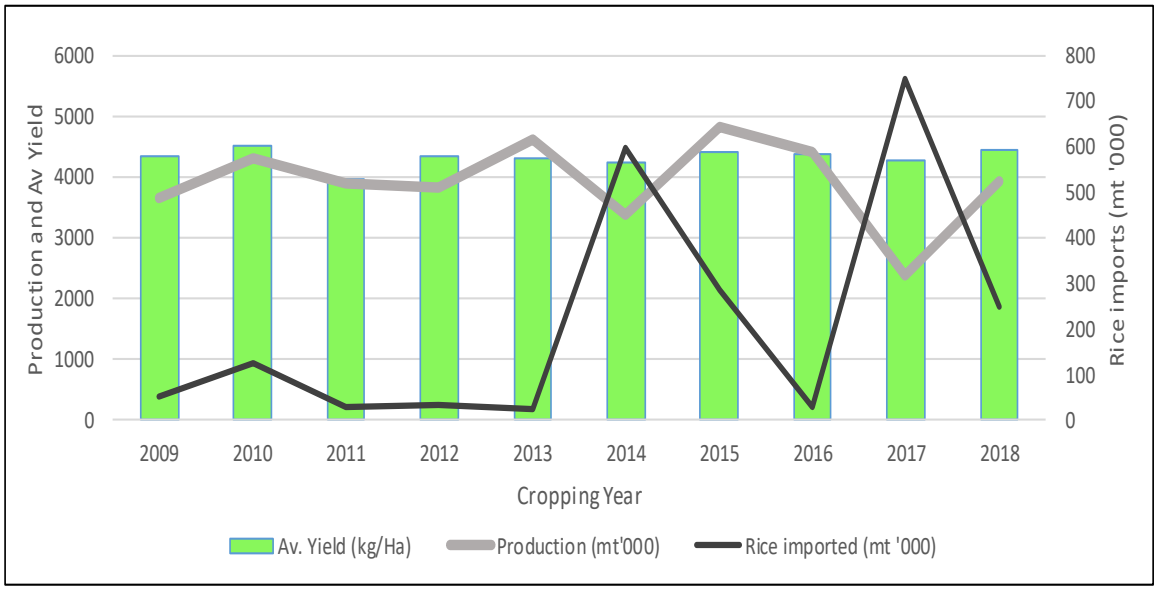
Source: Rice Varietal Distribution in Sri Lanka, 2018, Rice Research and Development Institute, Department of Agriculture, Sri Lanka

The most popular variety, with some 60 percent share, is the long grain rice (*Nadu*); 22 percent of production is short grain rice (S*amba*). Although white pericarp varieties are still most popular, red pericarp varieties and traditional rice varieties are becoming more popular.

Adverse weather dramatically affected paddy production levels in Sri Lanka; naturally, imports have varied inversely with domestic paddy production. Average yield, however, has been stable around 4.1 – 4.2 metric tons per hectare (Figure 3).

Severe drought conditions, which have prevailed for several consecutive seasons, have depressed the rice industry in general. Water for irrigation was limited enough that farmers were forced to plant vegetables and other field crops, for which reduced water demand can often be met by using agro-wells or tube wells. Pest attacks such as the Brown Plant Hopper (BPH) further diminished rice production across the main rice-producing areas. Nevertheless, after the long drought ended, the favorable weather in *Maha* 2018/19 induced farmers to plant more paddy once again. Besides favorable weather, the new irrigation programs of the GOSL (especially the Moragahakanda-Kalu Ganga irrigation development scheme) also contributed to the cultivation progress in the main paddy-producing dry zone area. The new irrigation project not only ensured the availability of irrigation water throughout the cultivation period, it also increased the irrigable land.

Figure 3: Paddy Production, Imports and Average Yield



Source: Based on Central Bank of Sri Lanka, Annual Report, 2018

Table 1: Commodity: Rice, Milled - Production, Supply and Demand (PSD)

Rice, Milled	2018/2019		2019/2020		2020/2021		
Market Begin Year	Oct 2018		Oct 2019		Oct 2020		
Sri Lanka	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	(Units)
Area Harvested	975	1,000	900	951	0	1,030	(1000 HA)
Beginning Stocks	316	316	516	375	0	225	(1000 MT)
Milled Production	3,131	2,897	2,720	2,784	0	3,006	(1000 MT)
Rough Production	4,604	4,260	4,000	4,094	0	4,421	(1000 MT)
Milling Rate (.9999)	6,800	6,800	6,800	6,800	0	6,800	(1000 MT)
MY Imports	24	24	100	18	0	12	(1000 MT)
TY Imports	24	24	100	12	0	15	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
Total Supply	3,471	3,237	3,336	3,177	0	3,243	(1000 MT)
MY Exports	5	2	5	2	0	4	(1000 MT)
TY Exports	5	2	5	2	0	4	(1000 MT)
Consumption and Residual	2,950	2,860	2,850	2,950	0	2,900	(1000 MT)
Ending Stocks	516	375	481	225	0	339	(1000 MT)
Total Distribution	3,471	3,237	3,336	3,177	0	3,243	(1000 MT)
Yield (Rough)	4.7	4.3	4.4	4.3	0.0	4.3	(MT/HA)

Source: USDA official estimates and Post estimates

The *Maha* 2019/20 was affected by both drought and floods. The dry and moderate drought conditions which prevailed from August to September in crop growing areas delayed the *Maha* cultivation. Later in the season, heavy rains flooded fields and damaged the crop throughout the country. Overall rainfall in the *Maha* season has been above average and the season has been favorable for growing paddy compared to the previous *Maha* season (see image 4), although the alternate dry and wet conditions have had a negative impact and pest attacks, especially BPH, remain a threat.

Despite arriving late, the inter-monsoonal rains and north east monsoonal rains provided ample water for cultivation of the 2019/20 *Maha* crop. The better soil moisture content and high light intensity with less cloud cover, both contributed to improvements in yield. The Department of Agriculture of Sri Lanka forecasts a net production of 3.1 million metric tons of paddy for MY 2019/20 *Maha* crop, after deducting for crop damages, wastage, and seed paddy requirements.

Sri Lanka expects to receive below normal rainfall in April, which will delay the *Yala* crop land preparation in rain-fed wet and intermediate zones. The present water levels of major irrigation reservoirs are adequate to start the 2020 *Yala* crop in dry and intermediate zones, but expected dry weather is likely to deplete water levels in the approaching months. The reservoir storage is at 84 percent of capacity, compared to 61 percent at the same time last year.

The country is experiencing new challenges in land allocation for paddy as a result of the COVID-19 pandemic. For other daily essential commodities, such as onions, lentils, legumes, and dried chilies, local production is insufficient, and the country is largely dependent on imports. Since current stocks of these commodities will last only about 3 months (until May or June) and, given that major suppliers such as India and Pakistan are expected to restrict exports, Sri Lanka will encourage domestic cultivation of these essentials.

Demonstrating it is not immune to global forces, Sri Lanka's concerns about transmission of the COVID-19 virus, and a slide in value of the Sri Lankan rupee, has led them to start restricting imports. While the initial import suspension was for "non-essential commodities" the most recent changes included food commodities as well. Such a policy encourages domestic production, including of agricultural products.

In response to expected weather adversities and trade challenges, the cropping plan for upcoming *Yala* season is expected to change. The healthy harvest of the *Maha* crop itself is sufficient to cover demand for up to 9 months. That harvest combined with a normal *Yala* harvest would greatly exceed domestic rice consumption requirements. Under these circumstances, the authorities have proposed to cultivate paddy only to meet consumption requirements through the 2020/21 *Maha* crop. Part of the land normally used for the *Yala* crop will be released to cultivate substitute commodities which normally would be imported. This is especially so in the areas expected to experience water shortages, since cultivation of other crops requires less water than paddy.

The success of these crop substitutions will depend on farm gate prices and farmers willingness to take on market risk. By contrast, for years paddy farmers have enjoyed a guaranteed price (GP) for paddy. In the MY 2018/19, the long grain paddy (*Nadu*) was purchased at 38 rupees a kilogram, and short grain paddy (*Samba*) was purchased at 41 rupees a kilogram. For MY 2019/20, the GP announced at the beginning of the harvest (in late January) was 50 rupees a kilogram, which is the price at which the state-run Paddy Marketing Board purchases paddy. GP acts as the floor price, and high floor prices for paddy discourage farmers from taking risks with other crops. The GOSL introduction of GP for fourteen types of other field crops in April just

before the planting may encourage the farmers to move out of paddy. While seed and fertilizer availability is low, it could be temporary in nature.

Given the above, and given a below normal *Yala* 2020 crop, Post expects total paddy production of the MY 2019/20 to be 4.1 million metric tons. The MY 2019/20 milled rice production is estimated to reach 2.8 million metric tons.

Assuming favorable weather conditions and that the COVID-19 crisis has passed, in MY 2020/21 season Sri Lanka likely will return to greater paddy production and more relaxed trade restrictions. Both *Maha* and *Yala* crops can be expected to rebound to a total production of 4.4 million metric tons.

Weather uncertainty remains a high risk factor in Sri Lanka; alternative dry and wet weather conditions adversely affect the yields. Nevertheless, Sri Lanka's advances in rice research should boost production: a new drought-tolerant variety is in the pipeline for release this year. The new variety is claimed to provide good yields under alternate wet and dry conditions and is best suited for rain-fed cultivation.

Consumption:

Rice consumption is increasing marginally on modest annual population growth. Under normal circumstances, the total consumption plus residual hovers around 2.8 million metric tons annually, reflecting marginally increasing consumption and normal residual/ loss levels.

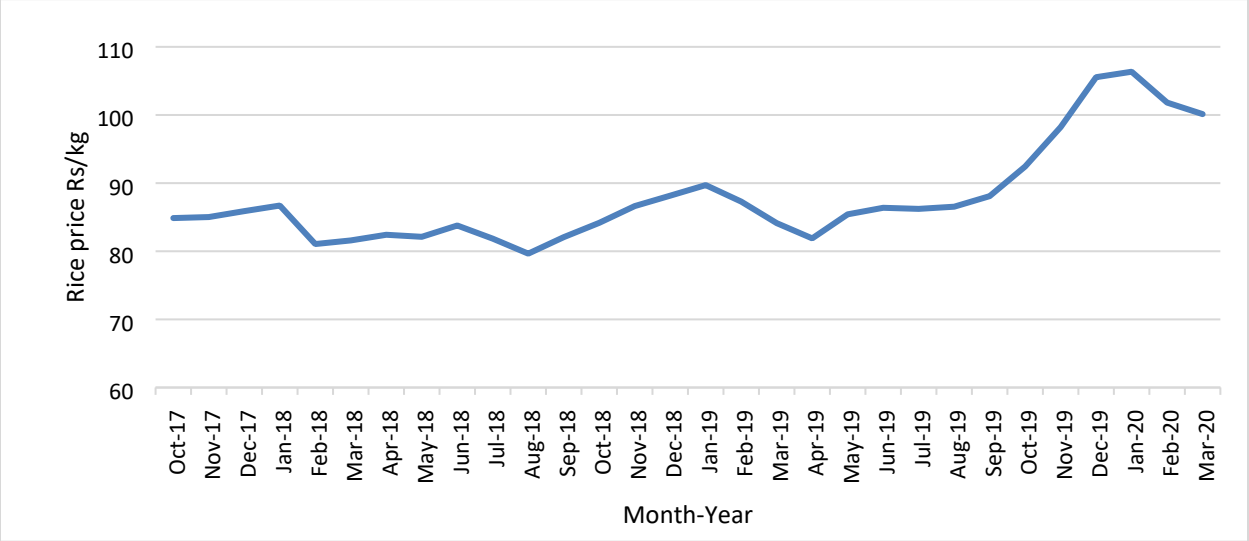
In the circumstances of the COVID-19 pandemic, Post expects MY 2019/20 rice consumption to rise marginally. The nationwide lockdown which began March 20 and continues as of April 10th, has disrupted distribution channels of many commodities except for rice, which has been a strategic priority. Impact on incomes, rise of prices of substitutes, and lack of access to substitutes will increase rice consumption in MY 2019/20 to 2.95 million metric tons from 2.8 million metric tons. Access to substitute food such as root crops, flour-based products of noodles, pasta and bakery products is low due to disruption of distribution channels. Meanwhile, GOSL retail outlets and the private sector food distribution platforms all include rice in their food baskets and retail rice trucks are a commonly seen around the villages. Furthermore, GOSL declared rice milling to be an essential service on April 10, to ensure a continuous supply of rice after the harvest ends in April. MY 20/21 consumption is expected to return to normal growth levels after a surge in MY 19/20 demand amid the COVID-19 pandemic.

With a total population of 21 million, Sri Lanka's per capita annual rice consumption is approximately 107 kg per person. Across the country, varietal preferences include both long grain and short grain rice, raw or boiled form, in white or red pericarp. Long grain raw rice (non-parboiled) is the most-consumed type. On average, households consume 16 kilograms of long grain raw rice per month (white or red) and 13 kilograms of parboiled long grain (Table 2).

Table 2: Average household and per capita consumption of rice type of rice	Monthly average quantity per household (kg/ months)	Monthly average value per household (Rs/ months)	Per capita rice consumption (kg/ year)
White raw (long grain white pericarp)	7.98	455.63	24.56
Red raw (long grain white pericarp)	8.35	459.07	25.70
Samba (short grain)	5.31	388.29	16.35
Nadu (long grain parboiled)	12.79	794.10	39.36
Other rice	0.50	38.83	1.56

Source: Report prepared for the National Thematic Research Program on Food Security of National Science Foundation of Sri Lanka, Institute of Policy Studies of Sri Lanka 2017; Analysis based on Household Income and Expenditure Survey of Department of Census and Statistics of Sri Lanka 2012/13

Figure 4: Retail price of rice (white), Colombo market, Oct 2017 – March 2020



Source: GIEWS, Food Price, Food and Agriculture Organization, based on Department of Census and Statistics of Sri Lanka data

Though white rice remains most popular, red rice is gaining in popularity. Red rice grain and the bran are becoming recognized for their better nutritional qualities, since they are rich in vitamin B, minerals, protein, fat and fiber. Red rice also has a low Glycemic index which is preferred in a country that is concerned about the prevalence of non-communicable diseases such as diabetes and obesity (Image 2: Annex).

Interest in traditional rice varieties such as *Suwadel, Pacchchaperumal, Kalu Heenati and Madathawalu,* is rising in recognition of their nutritional qualities, but low supply and high retail prices limit demand. A small portion of Sri Lanka's rice consumption consists of imported Basmati rice, but again, high prices limit Basmati to a narrow market.

Retail prices of rice have increased over the years, but they have shown seasonal variations, such as the spikes in 2018 and 2019. Such spikes generally occur around January, which is the lean period before the *Maha* crop harvest (Figure 4).

Trade:

When retail prices surge around December-January, GOSL implements a maximum retail price (MRP) through the state-run Consumer Affairs Authority (CAA). As revised on December 19, 2019, the MRP for *Samba* and *Nadu* rice are each 98 rupees per kilogram. MRP was revised on April 10 to ensure rice remains affordable. Accordingly, depending on the rice variety the MRP ranges from 125 rupees a kilogram to 85 rupees per kilogram. *Basmati* rice is priced at the market rate. Private traders do not always conform to the maximum price set by the government.

Plunging imports

Rice imports are usually allowed only when domestic prices surge (except for Basmati rice, which is not produced locally). For that reason, rice imports will decline since a bumper harvest in MY 2019/20 will meet domestic demand. Imports are also discouraged to relieve downward pressure on the Sri Lankan rupee: the COVID-19 related macroeconomic impacts have pressured the rupee exchange rate, which GOSL has addressed by restricting imports. While the initial import suspension imposed on March 20 is only meat and meat by-products the restrictions imposed later are against the import of both general food stuffs and non-essential goods. No official list of the essential goods has been published, however, on March 19, the Central Bank of Sri Lanka directed commercial banks to suspend facilitation of imports of non-essential goods and vehicles. The April 16 announcement of import restrictions by GOSL includes food and other commodities under 156 Harmonized System headings, including rice (Note: the restrictions are effective until July 15). The speculative behaviors in the market with the COVID-19 outbreak and loss of export markets, particularly for apparels, has depreciated the value of the Sri Lankan rupee. Post expects the MY 2019/20 imports will fall to 18,000 metric tons compared to 24,000 metric tons during the previous MY. Post expects rice import restrictions to continue further, unless a severe food supply shock results from domestic distribution movement restrictions. MY 2020/21 imports will be lower still at 12,000 metric tons. Sri Lanka's main rice suppliers are Pakistan and India.

In general, Sri Lankan rice exports are limited by several factors, including lack of grades and standards and low demand for indigenous Sri Lankan rice varieties. Significant exports are to Australia, the United Arab Emirates, Canada and the United Kingdom. Sri Lankan expatriates constitute most of the export market.

Exports are likely to remain as low as 2,000 metric tons in MY 2019/20 on factors attributed to managing the COVID-19 crisis. For food security reasons, GOSL might restrict rice exports. Post expects MY 2020/21 exports to rise to 4,000 metric tons as trade flows normalize.

Given Sri Lanka's push for self-sufficiency in rice production, the market for imports is heavily controlled. The current base import duty is the highest of 30 percent or 55 rupees per kilogram, which constitutes approximately 70 percent of the maximum local retail price. In addition, a 10 percent Port and Airport Levy (PAL) and an 8 percent Value Added Tax (VAT) are also charged.

These policies, along with fertilizer subsidies, water subsidies, a minimum support price, and limited planting options have supported expansion of Sri Lanka's rice production and helped develop self-sufficiency over the years. Demand for imported rice is thus limited to small quantities of specialty rice, such as Basmati rice from India and Pakistan, which is not locally grown. Pakistan has received a tariff rate quota of 6,000 metric tons of Basmati rice per calendar year on duty-free basis.

Stocks:

Paddy stocks down in MY 2019/20

Paddy stocks increased initially after the end of the internal conflict in 2009, but growth in consumption absorbed much of those reserves. Stocks declined after poor harvests in 2012/13 and were down to 316,000 metric tons by MY 2017/18. With the bumper *Maha* crop in MY 2018/19 stocks rose to 375,000 metric tons. MY 2019/20 will see a healthy crop, but stocks will be drawn down to 225,000 metric tons on increased consumption and reduced imports. Another healthy year of production in MY 2020/21 will increase the year ending stocks to 339,000 metric tons, given limited export options and only marginal increases in consumption.

GOSL provides no official statistics on Sri Lanka's rice or paddy stocks. The state-run Paddy Marketing Board (PMB) purchases paddy at a government-set guaranteed price (GP). When market prices exceed the GP, farmers sell on the open market. Prior to MY 2018/19, due to low production GOSL held no stocks. In MY 2019/20 the *Maha* crop is purchased at 50 rupees a kilogram (prices in MY 2018/19 were 38 and 48 rupees per kilogram). GOSL has 210 warehouses with a capacity of 250,000 metric tons. In MY 2019/20 the GOSL target to stock was 25,000 metric tons of paddy, compared to 50,000 metric tons in 2018/19. Nevertheless, market prices remain high so GOSL stocks will fall as farmers sell new harvests mostly at the open market.

Most rice stocks are held privately by millers, paddy collectors, or farmers. Private sector paddy milling in Sri Lanka comprises a few large millers, a middle layer of medium-scale millers, and thousands of small-scale millers. The large-scale millers are equipped with state-of-the-art storage facilities and milling plants which are integrated operations that include loading, cleaning, sorting, and packaging for distribution. Paddy ageing is a common practice for improving the quality of rice. Only the large-scale millers have the working capital needed to hold stocks for aging in order to get the quality premium. Large millers' working capital is sourced from state-run banks, who issue loans based on the capacity of the millers, a system that small-scale millers lament leaves them at a disadvantage.

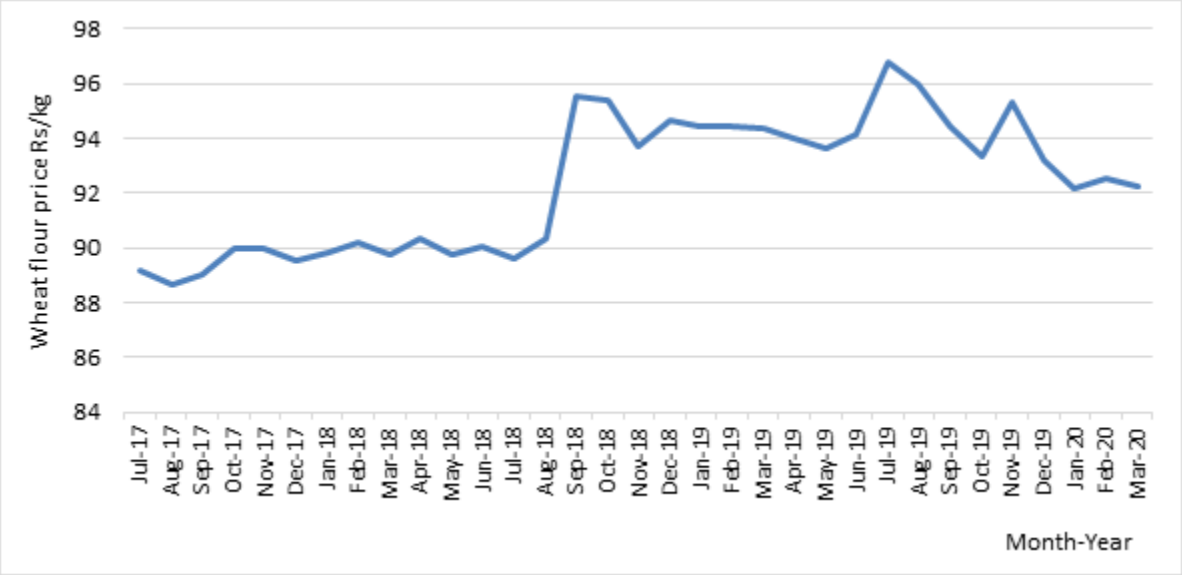
Recent droughts have affected the milling industry in general. Given the drop in paddy production before 2019, and subsequent low milling volumes, as much as 50-60 percent of medium and small-scale millers closed their businesses. Recent policies granted grace periods and loan interest forgiveness for some millers. In addition, to provide incentives for farmers to produce more paddy, GOSL provided financing for the millers to purchase paddy at favorable guaranteed prices.

WHEAT

Production:

Sri Lanka is a wheat consumer but not a producer. Two wheat-milling companies are operating in Sri Lanka, and together they import the country's entire wheat needs. The larger of the two companies has a milling capacity of 3,600 tons per day and accounts for a significant majority of Sri Lanka's milling activity. The milling capacity is well in excess of Sri Lanka's local demand, so a considerable portion of Sri Lankan wheat imports are re-exported as flour, throughout the Asia-Pacific region, spanning from India to Singapore.

Figure 6: Retail price of Wheat flour, Colombo market, July 2017 – March 2020



Source: GIEWS, Food Price, Food and Agriculture Organization, based on Department of Census and Statistics of Sri Lanka data

Consumption:

Sri Lankan agricultural policy continues to focus on self-sufficiency in rice, which results in a strong emphasis on domestic rice production over wheat imports. Given government supports for rice, wheat consumption is increasing only marginally, but declines will be limited due to inelastic demand from bakeries and institutional buyers (noodle manufacturers, biscuit manufacturers, and food service industries).

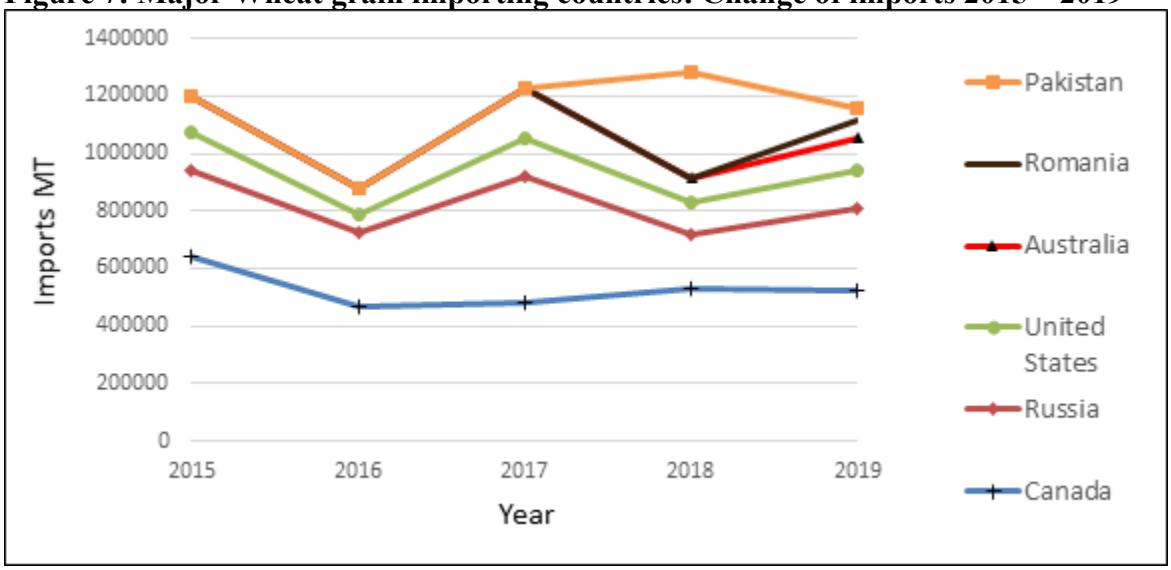
Consumption in MY 2019/20 will fall to 800,000 metric tons from 860,000 metric tons on disruption of the value chains caused by the nationwide lockdown since March 20 to control the spread of COVID-19. Prices can be expected to rise with tightening of trade policies and a depreciation in the rupee. Consumption reduces further with depressed demand from the hotel and restaurant sector. Consumption is expected to normalize in MY 2020/21. (See figure 6 regarding rise of wheat flour retail price).

Trade:

MY 2018/19[2] imports were 1 million metric tons. Post expects the imports to reduce to 900,000 metric tons in MY 2019/20, on increase in global prices, tightening of trade policies, and further rupee depreciation. Imports are expected to increase to 950,000 metric tons with easing in trade policies by MY 2020/21.

[2] MY and the TY for Wheat is July to June in USDA Grain and Feed Analysis for Sri Lanka.

Figure 7: Major Wheat grain importing countries: Change of imports 2015 – 2019



Source: Based on Trade Data Monitor

Wheat grain imports were subject to a duty of three rupees per kilogram and this was removed earlier this year. Only the Port and Airport Levy (PAL) of 10 percent is currently applicable (increased from 7.5 percent). The duty on wheat flour underwent several changes. Formerly imports of wheat flour were heavily taxed to promote wheat grain milling. Wheat flour had a custom duty of 15 percent or 16 rupees per kilogram.

Additional assessments were made for a PAL of 7.5 percent, Nation Building Tax (NBT) of 2 percent, and a cess of 15 rupees per kilogram. In December 2019, all duties were removed and replaced by a Special Commodity Levy (SCL) of 8 rupees per kilogram. After the revisions in January, the duty on wheat flour was brought down to three rupees per kilogram and a PAL of 10 percent. However, wheat flour imports are still low and the goal of introducing competition with the two major wheat millers is still unmet.

Major suppliers of wheat by volume are Pakistan, Australia, Romania, United States, Russia and Canada. Since the domestic market is saturated, millers seek more export markets, but exports still will fall to 70,000 metric tons in 2019/20 from 87,000 metric tons in the previous year, mainly due to trade restrictions. With easing of trade restrictions MY 2020/21, wheat flour exports should recover to 80,000 metric tons. The main export destinations include Maldives, Singapore, Malaysia, Thailand, India and Hong Kong.

Table 3: Commodity: Wheat - Production, Supply and Distribution (PSD)

Wheat	2018/2019		2019/2020		2020/2021		
Market Begin Year	Jul 2018		Jul 2019		Jul 2020		
Sri Lanka	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	(Units)
Area Harvested	0	0	0	0	0	0	(1000 HA)
Beginning Stocks	414	414	410	513	0	543	(1000 MT)
Production	0	0	0	0	0	0	(1000 MT)
MY Imports	949	1,046	925	900	0	950	(1000 MT)
TY Imports	949	1,046	925	900	0	950	(1000 MT)
TY Imp. from U.S.	135	175	0	115	0	100	(1000 MT)
Total Supply	1,363	1,460	1,335	1,413	0	1,493	(1000 MT)
MY Exports	93	87	80	70	0	80	(1000 MT)
TY Exports	93	87	80	70	0	80	(1000 MT)
Feed and Residual	0	0	0	0	0	0	(1000 MT)
FSI Consumption	860	860	860	800	0	860	(1000 MT)
Total Consumption	860	860	860	800	0	860	(1000 MT)
Ending Stocks	410	513	395	543	0	553	(1000 MT)
Total Distribution	1,363	1,460	1,335	1,413	0	1,493	(1000 MT)

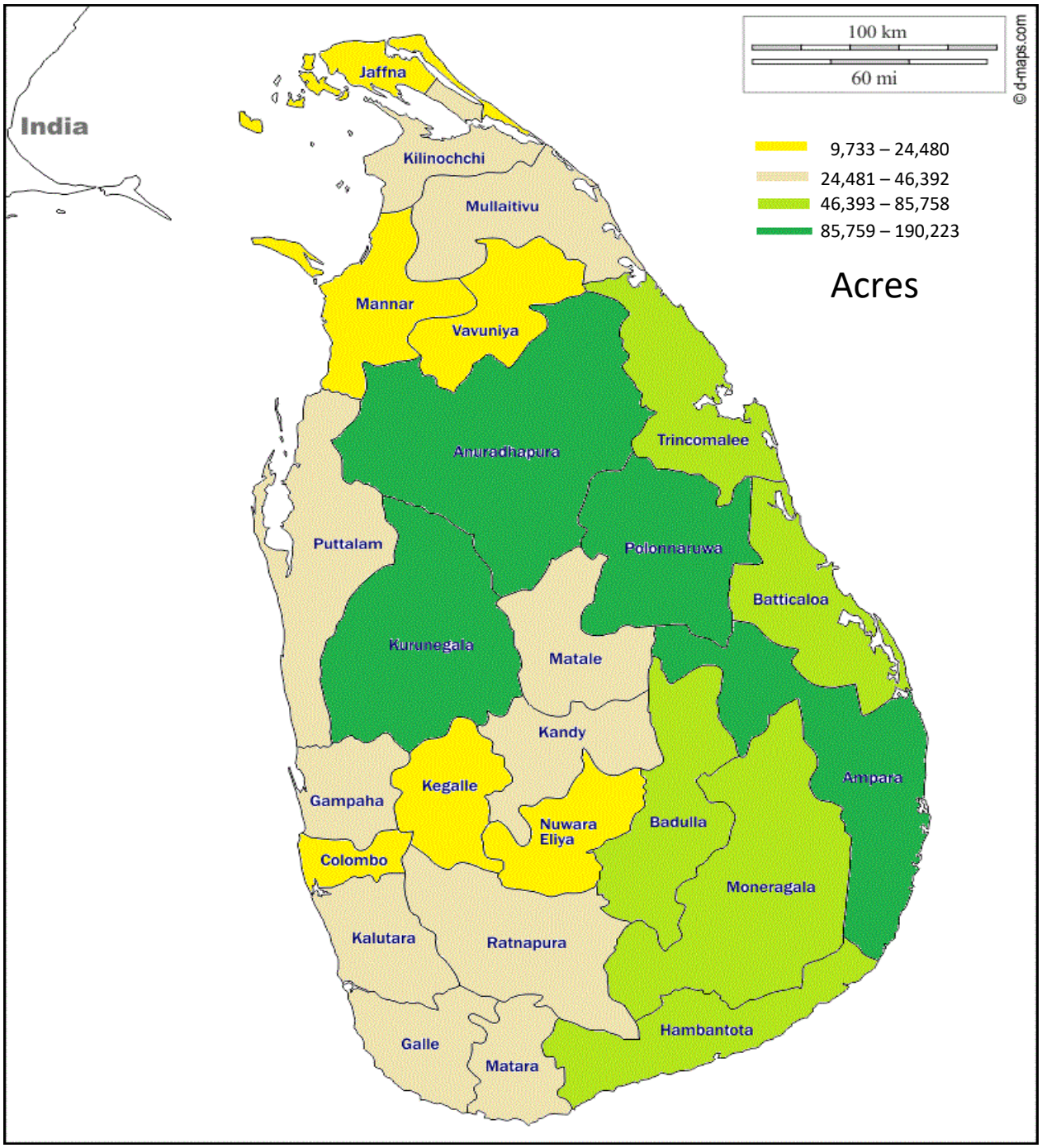
Source: USDA official estimates and Post estimates

Stocks:

Reduction in exports and reduction in consumption of wheat will raise stocks in MY 2019/20 despite the decline in imports. Post expects the stocks of MY 2019/20 to be 543,000 metric tons. Stocks should rise only slightly to 553,000 metric tons in MY 2020/21 as imports should rise to meet expected increases to pre-COVID-19 consumption levels. (Note: the largest milling facility has the capacity to hold 350,000 metric tons).

Annex

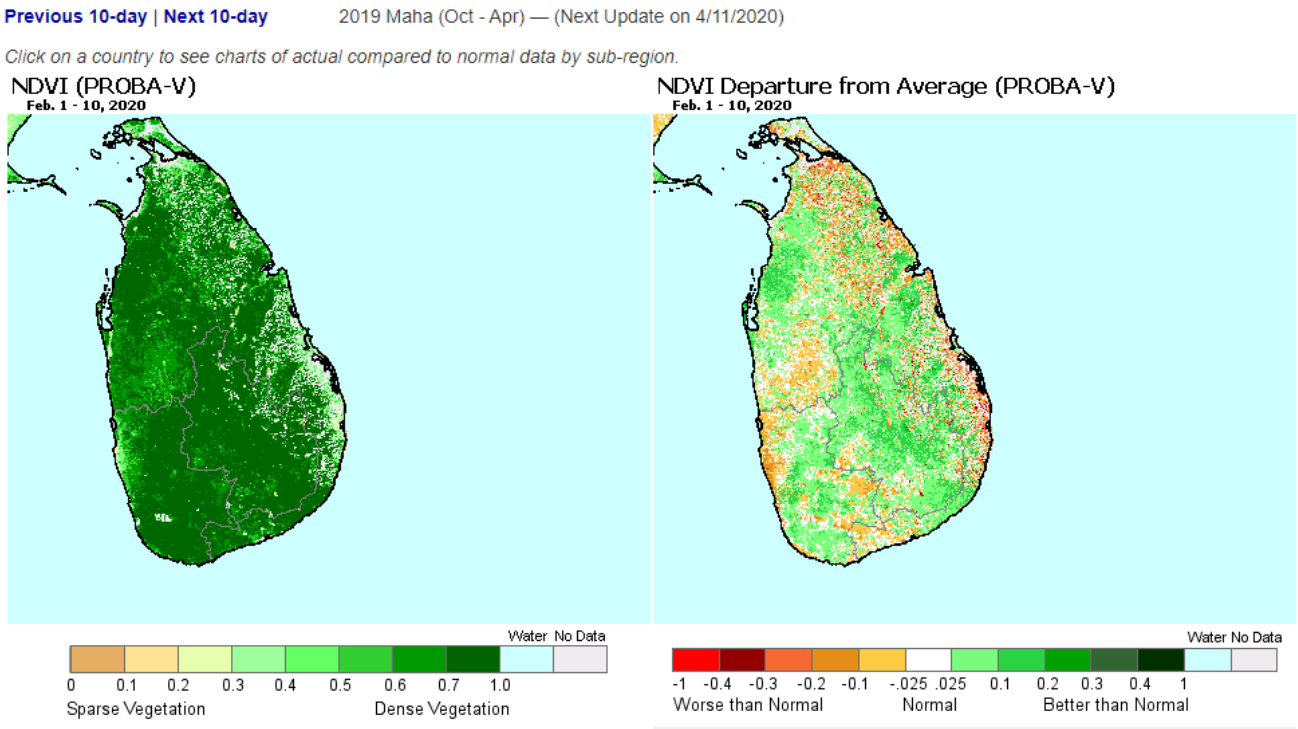
Image 1: Distribution of Paddy Extent by District, 2014

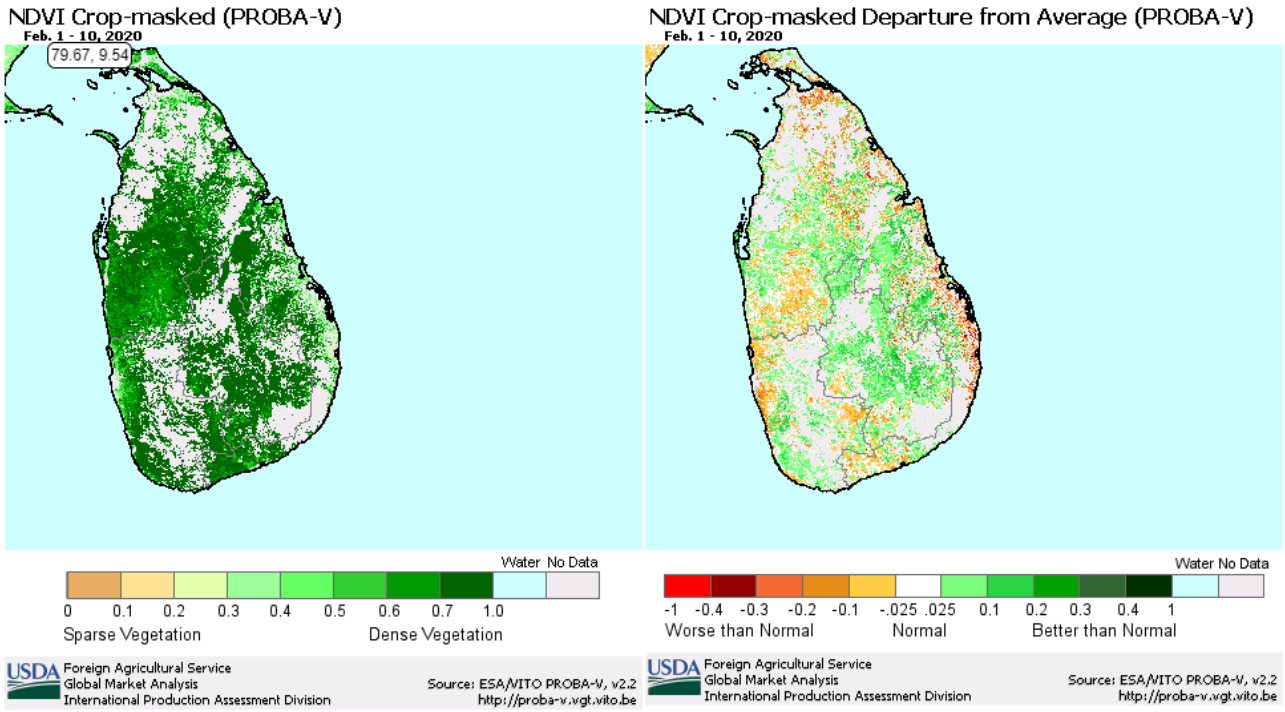


Source: Based on Economic Census 2013/14, Agricultural Activities, General Report, Department of Census and Statistics of Sri Lanka, 2018

Image 2: Main Types of Rice Consumed in Sri Lanka

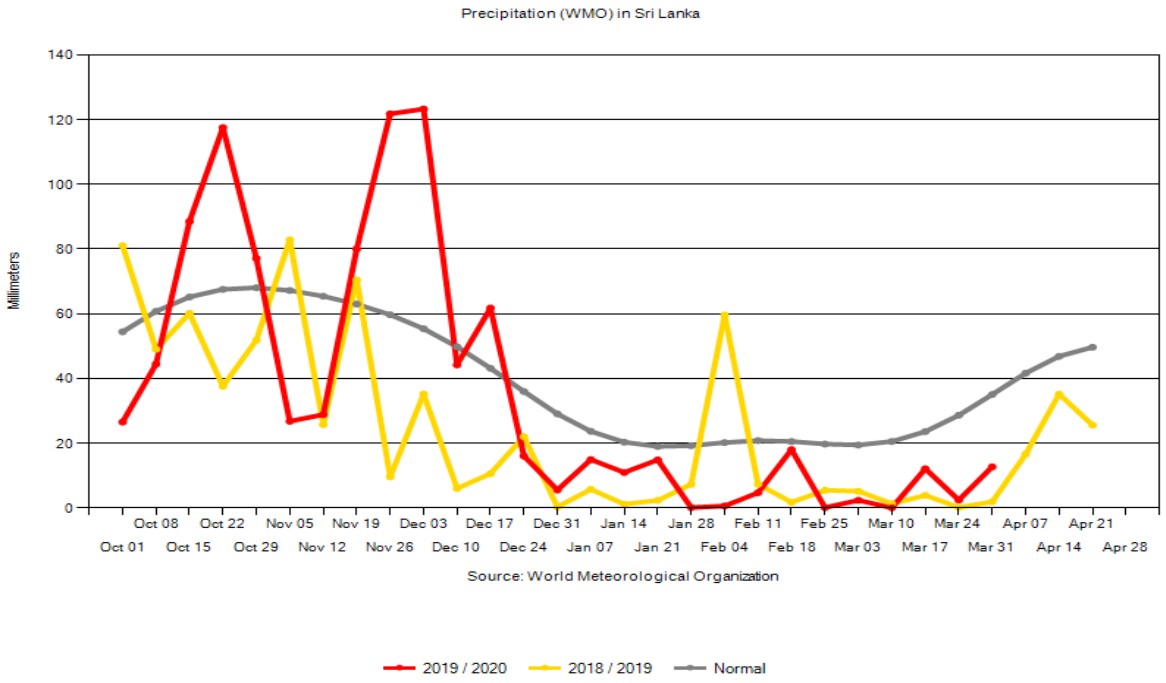
Image 3: Vegetation Index





Source: Crop Explorer, IPAD, FAS, USDA

Image 4: Comparison of precipitation



Source: Crop Explorer, IPAD, FAS, USDA

Attachments:

No Attachments