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## **Report Name:** Sri Lanka Updates Foreign-Origin Wheat Import Requirements

**Country:** Sri Lanka

**Post:** Colombo

**Report Category:** Grain and Feed, FAIRS Subject Report, Agriculture in the News, Export Accomplishments - Border Facilitation, Sanitary/Phytosanitary/Food Safety, SP1 - Expand International Marketing Opportunities, SP2 - Prevent or Resolve Barriers to Trade that Hinder U.S. Food and Agricultural Exports, Agriculture in the Economy, Policy and Program Announcements, Agricultural Situation, Climate Change/Global Warming/Food Security

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### **Report Highlights:**

Sri Lanka's National Plant Quarantine Service (NPQS) (national authority) has revised wheat grains import regulations. Previously the national authority had issued a blanket approval for the import of wheat for flour milling for human consumption. The blanket approvals were revoked in December 2020, and were replaced with import permits valid for one-year. Permits for U.S.-origin wheat consignments now include additional declarations. FAS Colombo\New Delhi (Post) and APHIS New Delhi's successfully negotiated with the NPQS additional declaration language that meet Sri Lanka's phytosanitary requirements, while remaining consistent with APHIS export certification policy. Sri Lanka is now also permitting wheat imports for animal feed milling,

but under highly restrictive entry conditions. Sri Lanka's import requirements effectively disallow U.S.-origin feed wheat imports.

## **EXECUTIVE SUMMARY**

The Democratic Socialist Republic of Sri Lanka (Sri Lanka) imports wheat for human consumption. It counts with no domestic wheat production of its own. The United States, for decades, has been a major supplier to Sri Lanka of wheat for human consumption.

The Sri Lankan [National Plant Quarantine Service](#) (NPQS) has revised the import regulations for wheat grains for human consumption. Previously issued blanket approvals for Sri Lanka's importers were revoked in December 2020; new permits, with a one-year validity period are now being issued. Permits issued for wheat consignments from United States now require additional declarations. FAS Colombo\New Delhi (Post) and APHIS New Delhi's negotiations with Sri Lanka's National Plant Quarantine Service resulted in agreement on the additional declaration language to meet Sri Lanka's phytosanitary requirements, while remaining consistent with APHIS' export certification policy.

In the second half of 2020, the Sri Lanka Department of Agriculture (DOA)\National Plant Quarantine Service (the national authority) authorized from August 1 through October 31, 2020, for the first time the importation of lower quality wheat destined for animal feed milling. However, restrictive entry requirements effectively disallow U.S.-origin feed wheat (for animal feed milling) imports.

## **SRI LANKA, NET WHEAT IMPORTER – WHEAT FOR HUMAN CONSUMPTION**

Sri Lanka, with a population of over 23 million people (Central Intelligence Agency, July 2021 estimate), is an importer of wheat, harmonized tariff system (HS) code 1001.99.2015/55, for human consumption (primarily for flour milling). The country counts with no domestic wheat production of its own. The United States is one of Sri Lanka's major suppliers of wheat for human consumption; supplying in calendar year (CY) 2020 (January-December) alone nearly 139,000 metric tons (MT) of wheat (\$31 million), representing an increase of 3,456 MT compared to the 2019 volume.

**Sri Lanka's Wheat Import Landscape:** Only two companies are currently authorized to import wheat for flour milling for human consumption. Both companies operate modern discharge and silo operations at the Colombo and Trincomalee ports, permitting direct vessels offloading to shoreside silos. This capability, and practice, minimizes the wheat grains' exposure to the environment; Sri Lanka fears the possibility of wheat-associated pathogens escaping and contaminating local paddy rice production fields. Rice is the predominant grain cultivated, and consumed, in Sri Lanka.

### **Import Requirements – Wheat for Human Consumption**

**Flour Milling for Human Consumption:** Exporters of U.S.-origin wheat for flour milling for human consumption ship on a recurring basis to Sri Lanka. Previously, consignments were authorized entry under a blanket approval provided to the country's two major milling companies. These millers could import without an import permit. U.S.-origin wheat consignments previously were shipped with a standard phytosanitary

certificate (that is, without the requirement of additional declarations) and accompanied with a fumigation certification (carried out at origin).

The National Plant Quarantine Service, in revamping its risk analysis procedures and determinations, has revised wheat import permit requirements. Sri Lanka's NPQS revoked effective December 31, 2020, the use of blanket approval import permission letters. In lieu of these, it is issuing formal import permits (valid for up to one-year) to the two milling companies importing wheat for flour milling for human consumption.

**Phytosanitary Certificate, Need for Additional Declarations – Solution Achieved:** FAS Colombo\New Delhi and APHIS New Delhi successfully negotiated with NPQS an agreement on the additional declaration language that meets Sri Lanka's phytosanitary requirements, while remaining consistent with APHIS' export certification policy.

The new import permit (i.e., for consignments of wheat for human consumption) requires the declaration of the absence of pathogens (as detailed in the import permit), as well as the endorsement of fumigation on the phytosanitary certificate. Sri Lanka's NPQS closely monitors these imports, whose transfers from vessels to shoreside facilities are tightly controlled. Due to the existing high degree of control, and confidence in the transfer and storage operations, the required additional declarations have been limited to include just:

- 1) That the consignment is free from *Prostephanus truncatus*, more commonly known as the larger grain borer (LGB).<sup>1</sup>



Source: U.S. Department of Agriculture/Grain Inspection, Packers and Stockyards Administration/Federal Grain Inspection Service - Visual Reference Images (September 2016).

- 2) Endorsement on the phytosanitary certificate of the fumigation treatment details; indicating that the consignment was appropriately fumigated in the exporting country (pre-shipment fumigation) with recommended dosage of either methyl bromide or phosphine to eliminate any live stored pests.

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<sup>1</sup> A beetle 3 to 4.5 mm long and dark brown in color. It has a cylindrical body shape, when viewed from above the rear of the insect is square shaped. The thorax bears rows of teeth on its upper front edge and the head is turned down underneath the thorax so that it cannot be seen from above. The larger grain borer usually is restricted to corn (maize) and does not commonly occur north of Mexico. The insect is larger and darker in color than the lesser grain borer (see, [U.S. Department of Agriculture – Visual Reference Images - September 2016 – pg. 287](https://www.ams.usda.gov/resources/visual-reference-images) at <https://www.ams.usda.gov/resources/visual-reference-images>).



## **SRI LANKA’S WHEAT IMPORTS – WHEAT FOR ANIMAL FEED MILLING**

From August 1 through October 31, 2020, Sri Lanka authorized for the first time the import of wheat for animal feed milling. This major policy shift occurs due to domestic feed corn (maize) production shortages in 2020, combined with restrictions placed on corn imports. The corn production shortfall, along with the restrictions placed on corn imports, served as a catalyst for feed wheat imports. For the country’s livestock sector, feed wheat has become a key component of animal feed rations.

**Feed Wheat Import Quota Volumes:** In 2020, Sri Lanka initiates the opening of an import quota of 185,000 MT of wheat grains for animal feed milling; eventually filling 170,000 MT of the authorized quota volume aimed at alleviating the local corn crop production shortfall. Sri Lanka authorized subsequently an additional import quota of 100,000 MT for the April 15 through July 31, 2021, period. The authorization of another import quota is likely to occur before the end of 2021. The Sri Lankan animal feed milling industry is depending on imported feed wheat to compensate for anticipated domestic corn crop shortfalls. Domestic corn production is unlikely to increase quickly enough in the short-term to meet the animal feed milling industry’s demand.

**Sri Lanka’s Animal Feed Milling:** The country’s animal feed mills, unlike the country’s two millers of wheat for flour for human consumption, are small- to medium-size operations. These are scattered throughout the country, with many lacking adequate infrastructure and silos. Due to concerns with the potential spread of wheat-associated pathogens (as detailed in the import permit) to local rice production fields, Sri Lanka’s NPQS maintains highly restrictive entry conditions for de-husked, bulk wheat grains.

### **Import Requirements – Wheat for Animal Feed Milling**

**Animal Feed Milling:** The import quota for wheat grain for the use in animal feed milling is determined by the Government of Sri Lanka. In making its determinations, the government reviews, and considers, any potential corn production shortfall in any given year.

Import pre-clearance approval is granted by Sri Lanka’s [Department of Animal Production and Health](#) (DAPH) to registered feed manufacturers, self-mixers for the use on their own farms, and to associations. Each of these are authorized a specific quantity. The National Plant Quarantine Service will determine, and specify per country-origin, the phytosanitary conditions for import.

**Phytosanitary Certificate, Need for Declarations – Only an Impasse Reached:** FAS Colombo\New Delhi and APHIS New Delhi have sought to negotiate with Sri Lanka permissible declaration language that could meet Sri Lanka’s phytosanitary requirements for feed wheat, while remaining consistent with APHIS’ export certification policy. Both sides have yet to arrive at a mutually satisfactory resolution for permitting imports of U.S.-origin feed wheat. Currently, Sri Lanka’s import requirements disallow U.S.-origin feed wheat imports; agreement on additional declaration language to permit imports require further negotiations.

**Phytosanitary Certificate, Feed Wheat Requirements and Declarations:** Import permits for feed wheat for animal feed milling require that the phytosanitary certificate include:

- 1) A declaration indicating that the consignment must be free from seed borne pathogens and must not be contaminated with other biosecurity risk materials including weed seeds and stored grain pests.

- 2) The consignment must be free of infectible residues, soil, straw, crop debris, animal and avian remains. Feces, and any other extraneous contaminations (less than one percent).
- 3) The consignment must be accompanied by a phytosanitary certificate issued within 14-days prior to dispatch and issued by a duly authorized officer of the National Plant Protection Organization of the country of export. It should contain declarations:
  - i) Botanical names of the grains including varieties and hybrids.
  - ii) Place and country of origin of the grains.
  - iii) The consignment is free from *Trogoderma granarium* (khapra beetle) and *Prostephanus truncates* (larger grain borer - LGB).
  - iv) The consignment is free from *Tilletia indica* (karnal bunt), *Tilletia tritici* (common bunt), *Tilletia controversa* (dwarf bunt) and *Sclerophthora macrospora* (downy mildew).
  - v) The consignment has been fumigated appropriately at the exporting country (pre-shipment fumigation) with the recommended dosage of either methyl bromide or phosphine to eliminate any stored pests. Treatment details must be endorsed on the phytosanitary certificate of export.
- 4) The consignment should be covered by the following documents:
  - i) Fumigation certificate.
  - ii) Certificate of origin issued by either the Department of Commerce or by the Chamber of Commerce of the country of export.
  - iii) Packing list and bill of lading.
  - iv) Non-GMO (genetically modified organism) certificate.

**Attachments:**

No Attachments.