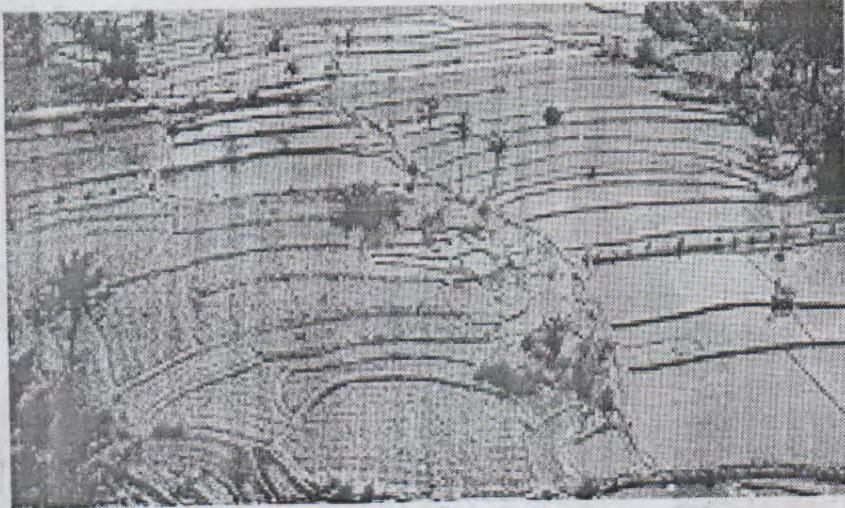


Paddy-Rice Data Gap: How much grown? How much sold?



Seasonal Cultivation



Year Round Distribution

BY RAJAN PHILIPS

There is an abundance of historical data available on the extent of land cultivation and the amount of paddy harvested based on well-established yields per unit area. Separate sets of statistics cover the Maha and the Yala seasons. The amount of rice produced is estimated to be about two thirds of cultivated paddy by weight. Paddy cultivation as well as rice production and consumption statistics are also available in an impressively disaggregate format, including sectoral (urban, rural, estate), provincial and district distributions. The data also includes expenditure on rice consumption as a proportion of household income on the same disaggregate basis.

However, there appears to be no matching data on the amount of rice sold and bought whether wholesale or retail, either at the national level or at the sectoral and spatial levels. This is a critical data gap that would help those who manipulate the supply of rice and handicap those who try to enable the even distribution of rice in the retail market throughout the year. It is my purpose to elaborate on this to provoke some discussion, if not action.

Impressive Production Data

According to the Department of Census and Statistics data base, Sri Lanka maintains an island wide enumeration system for each parcel of land where paddy is cultivated. Data is collected for each season based on information provided by Agricultural Research and Production Assistants and Grama Niladari acting as "primary reporters." In addition, the "average yield of paddy" is estimated at the district level using a sample survey known as "the crop cutting survey" that currently includes 4,000 "paddy tracts" for each of the two paddy growing seasons. The enumeration and the sample survey processes have been in place from 1951. This is quite impressive considering the slacking and sliding in so many areas of government due to political monkeying.

Based on the 2023 paddy statistics that I referenced last week, 4.5M metric tons of paddy was produced for the year from a total cultivation area of 1.16M hectares at an average yield of 7,376 kg/ha. Seasonally, 2.7M metric tons (60%) were produced from 722,500 (62%) hectares at 3,554 kg/ha in the Maha season; and 1.8M metric tons (40%) were produced from 440,300 hectares (38%) at 3,822 kg/ha in the Yala season.

Converting paddy to rice, 4.5M metric tons of paddy was milled into 3.0M metric tons of rice to meet the annual rice demand of 2.5M metric tons based on an annual average per

vation of 706,000 metric tons of paddy from 277,000 hectares and the 2024 cultivation of 403,097 metric tons (the area of cultivation was not indicated). The Minister also noted that the Red rice growing paddy fields are more in the southern and eastern districts.

In proportion to the 2023 total rice production figures, the Red rice portion would be 26% for the Maha season and 22% for the Yala season. The area of cultivation for Red rice is 38% of the total cultivation area for the Maha season, which would indicate a lower yield rate for Red rice than the average yield. My point in this is that it would be helpful for the Department of Census and Statistics (DCS) to include in its commonly available paddy/rice statistics the cultivation and production figures for the different rice types in the market. DCS already provides data for the weekly changes in the prices of the different rice types, and it would be helpful to have their production data also available to the public.

Similarly, the district-wise breakdown of paddy statistics provides the total rice production data for each district, but not for different rice types cultivated in different districts. For total paddy production in the 2023/24 Maha

Based on the 2023 paddy statistics that I referenced last week, 4.5M metric tons of paddy was produced for the year from a total cultivation area of 1.16M hectares at an average yield of 7,376 kg/ha. Seasonally, 2.7M metric tons (60%) were produced from 722,500 (62%) hectares at 3,554 kg/ha in the Maha season; and 1.8M metric tons (40%) were produced from 440,300 hectares (38%) at 3,822 kg/ha in the Yala season.

season, nine of the 24 districts (Hambantota, Mannar, Batticaloa, Ampara, Trincomalee, Kurunegala, Anuradhapura, Polonnaruwa and Monaragala) produced more than 100,000 metric tons, three of which (Ampara, Kurunegala, and Polonnaruwa) exceeded 200,000 metric tons, and Anuradhapura registered the biggest harvest exceeding 450,000 metric tons.

mills rival the mills in rice exporting Asian countries. The well known Silos Spain mill building company boasts on its website of the rice milling plants it has built in Sri Lanka for Lakbima Rice Mills. The emerging Hongjia Grain Machinery Company of China carries on its website a "Rice Mill Industry Analysis" for Sri Lanka and offers itself as a worthy resource for supplying machinery and building new rice mills in Sri Lanka. I am of course unaware if any of the large rice mills in Sri Lanka have been built by Hongjia Company.

There are two points to be made here. First, Sri Lanka's rice milling industry has grown and expanded to a stage that makes the old storage silos put up by the Paddy Marketing Board look pathetic and primitive. There is no point in going back to stone age in rice milling and storage. Nor is there any point in getting Chinese or Indian assistance for the Paddy Marketing Board to build competing state owned rice mills in the country. If there is a need for additional rice mills let the private capital look after it and find more fruitful opportunities for investing scarce public funds.

Second, as others have pointed out, the Paddy Market Board rather than getting back in the business of collecting and storing paddy, could and should be used to exercise at least some of its extensive (but long dormant) regulatory powers over the rice milling industry. The PMB has the power to license and refuse licenses to rice milling operations. I have no information as to whether the operating rice mills are licensed by the PMB. The PMB website does not seem to carry any licensing information the way the Public Utilities Commission (PUCSL) provides information on its licence holders in the energy industry.

Pertinent to marketing data, the PMB has the power (under Section 13 of its enabling legislation) "to carry out investigations and record data concerning production, sale, supply, storage, purchase, distribution, hulling, milling or processing of paddy and rice." There is no reason why the PMB has not been doing this over the years and why it cannot be directed to do so now by the NPP government.

To add a note of caution, the exercise of this regulatory power should not be to harass individual farmers and smallholders who mill their own produce to make ends meet, but to get marketing information from the large millers who control a substantial portion of the paddy purchase and rice supply.

Lastly, a comment on parliament's role in this. The lack of marketing statistics for rice is evident in the public discussion on rice

of 7,376 kg/ha. Seasonally, 2.7M metric tons (60%) were produced from 722,500 (62%) hectares at 3,554 kg/ha in the Maha season; and 1.8M metric tons (40%) were produced from 440,300 hectares (38%) at 3,822 kg/ha in the Yala season.

Converting paddy to rice, 4.5M metric tons of paddy was milled into 3.0M metric tons of rice to meet the annual rice demand of 2.5M metric tons based on an annual average per capita consumption of 115 kg of rice. We can ignore the rounding off statistics for 2023, such as imports, stock change and exports, on the supply side, and the amount of seed paddy, processed paddy and waste, on the demand side. For 2023, some 29,000 metric tons of rice was imported, and 8,000 metric tons of rice was exported. The import volume would be much higher in a year of low paddy production due to weather effects.

For a typical year, over 90% of imported rice is from India, and Sri Lanka is identified as one of the major importers of rice from Tamil Nadu whose non-basmati rice exports account for 10% of all rice exports from India. More than 60% Sri Lankan rice exports are destined to western countries with not insignificant Sri Lankan diaspora populations. On the export side, the Sri Lankan short-grain rice is not considered to be export-attractive. However, given the plethora of rice varieties in Sri Lanka, it is not known if there have been strong efforts to find niche markets for some of the island's historic and unique rice varieties.

The generally available paddy/rice production statistics provide data for total rice production only but for the commonly marketed Nadu, Red, Samba, Keeri Samba rice varieties. But such data appears to be available at the official level. In the recent controversy over the (hilariously, allegedly Wickremesinghe-induced) shortage of Red rice, Minister of Trade, Commerce, Food Security and Cooperative Development Wasantha Samarasinghe provided production data for Red rice for the year 2024. The Minister's point was that there should not have been Red rice shortage given the 2023/24 Maha season culti-

season, nine of the 24 districts (Hambantota, Mannar Batticaloa, Ampara, Trincomalee, Kurunegala, Anuradhapura, Polonnaruwa and Monaragala) produced more than 100,000 metric tons, three of which (Ampara, Kurunegala, and Polonnaruwa) exceeded 200,000 metric tons, and Anuradhapura registered the biggest harvest exceeding 450,000 metric tons.

In the 2024 Yala season, seven of the 24 districts (Hambantota, Batticaloa, Ampara, Trincomalee, Kurunegala, Anuradhapura and Polonnaruwa) produced more than 100,000 metric tons, during the Yala season with four of them (Ampara, Kurunegala, Anuradhapura and Polonnaruwa) exceeding 200,000 metric tons. The noted nine districts are also the rice-surplus districts which in theory should be able to meet their own consumption demands. The other fifteen districts which are generally the more populous districts are invariably the rice-deficit districts and have to depend on rice transported from the surplus districts to meet their higher demands.

Paucity of Marketing Data

As I noted at the outset, in comparison to the relatively rich paddy production statistics there is no matching data for the amounts of paddy or rice that are transacted in the wholesale and retail markets. The absence of marketing data is referenced in the academic and research writings on Sri Lanka's rice milling industry, and these studies generally base themselves on available but inadequate surveys of existing rice mills.

It would seem that there is no reckonable information on the rice milling sector itself. There are apparently over 7,000 mills in the country, which widely range from small to medium, large and very large in their size and capacity. Anuradhapura and Polonnaruwa districts reportedly include the highest number of rice mills as well as the largest among them.

In terms of their physical make up and production capacity, the big Sri Lankan rice

ment.

To add a note of caution, the exercise of this regulatory power should not be to harass individual farmers and smallholders who mill their own produce to make ends meet, but to get marketing information from the large millers who control a substantial portion of the paddy purchase and rice supply.

Lastly, a comment on parliament's role in this. The lack of marketing statistics for rice is evident in the public discussion on rice shortages. However, this data gap does not seem to bother parliamentarians whenever they raise questions about rice and ministers do not provide answers that are informed by helpful statistics. That should not be surprising given the decline and fall of parliamentary expertise under the weight of the equally ill informed executive presidency.

Old parliamentarians like CP de Silva, Philip Gunawardena, Dudley Senanayake and Dr SA Wickremesinghe were acknowledged rice experts. Writing in a Daily News supplement to mark the occasion of the closure of the old parliament and its relocation to Kotte from Colombo, Pieter Keuneman recalled an impromptu three-way discussion, between Dudley Senanayake, CP de Silva and SA Wickremesinghe, on irrigation and paddy cultivation as one of the finest hours of the Beira Lake parliament.

Parliamentarians of the Left, in spite of their revolutionary generalizations, were also nerdy sticklers for detail. Once NM Perera berated Finance Minister Felix Dias for increasing the wholesale price of a gallon of arrack by an amount not divisible by six, because arrack taverns were going to reap rounding off profit from the retail price of a bottle of arrack.

I am nostalgically recalling all this in the hope that the current parliament, the most Left in our history, will once again become an institution that keeps itself well informed for its deliberations and decisions. None more so than in the area of paddy and rice in general, and their marketing in particular. And never more than now when the Left is in government and not in opposition.