

# **Right to Food Campaign**

(Secretariat)

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## The Right to Food Campaign's Statement on the increasing Food and Nutritional Insecurity in Sri Lanka

The Right to Food campaign of India is extremely concerned and anguished with the severe economic crisis gripping Sri Lanka and its impact on ordinary citizens of the country, especially in terms of reports of growing food insecurity and hunger. We are watching with concern as food and nutrition deficits widen in the island nation as a result of the economic and political crisis. We condemn the violent crackdown and coercive action taken against peaceful protests which had mobilized amid a worsening financial crisis and the lack of access to essential goods including fuel, electricity, medicines, and food. We urge the Sri Lankan government and authorities to engage constructively with the protestors and protect their fundamental right to peaceful protest. We hope that Sri Lanka will emerge from this crisis as a more democratic and equal society.

### The crisis in Sri Lanka

The Sri Lankan crisis started in 2019 and worsened significantly with the onset of Covid-19. In 2019 the Easter Sunday bombings led to a drastic fall in tourist arrivals, affecting revenues. The country suffered another serious setback next year when Covid-19 hit and the global economy started shutting down. Tourism slumped and exports of tea and garments were affected. At the same time, the government implemented a series of tax cuts which resulted in a loss of revenue equal to 4 percent of GDP. The combined loss of revenue and increased health expenditure resulted in a doubling of the fiscal deficit, which the central bank filled by printing money. The flood of money added to inflation, drastically increasing the prices of essentials. The country ran out of foreign exchange to service its debt and pay for imports, resulting in shortages of food, fuel and cooking gas, and medicine. The rate of Consumer Price Inflation was 4 percent (YoY) in May 2020 and 39.1 percent in May 2022, an almost 1000 percent increase in two years. Food and transport costs are in hyperinflation territory.

Analysis suggests that the food crisis was further compounded by the "organic only" policy pushed by the SL government last year. Imposing a nationwide ban on the import and use of synthetic fertilizers and pesticides resulted in reduced yields of paddy, the national staple. This has created rice shortages. The ban impacted other crops including tea, the export of which is a key source of foreign exchange. The policy was finally rescinded, but not before seriously impacting Sri Lanka's food security.

#### The crisis leading to food insecurity and hunger

The economic unraveling of Sri Lanka has imposed tremendous social costs. The daily struggle for finding food in Sri Lanka has been extensively documented by the media. The depreciation of the currency and food shortages have led to a huge increase in food prices. Observations by those tracking the crisis show that hyperinflation has led to prices of food grain, pulses, vegetables, and fruits in supermarkets being marked per hundred grams, instead of the normal practice of kilogrampricing.

A standard meal in Sri Lanka is rice curry consisting of rice, dal, vegetables, and meat. The Advocata Institute's Bath Curry Indicator, a food price <u>tracker</u>, says the index increased from LKR 1,222.58 in October 2021 to LKR 1,938.15 in May 2022 for a family of four, an increase of 58 percent. Reports suggest that hunger is rising with people either eating fewer meals or consuming fewer portions per meal. Many eateries remain shut for want of cooking gas cylinders, rice, vegetables, milk, and fruits. Food and nutrition insecurity will have a long-term impact on the health and well-being of Sri Lankans.

As with any such crisis, the hardest hit is the working class, plantation workers, women, the elderly and children, and low-income households. Erosion of wages and livelihoods has reduced incomes, while hyperinflation is stretching household budgets already under strain. Reports have emerged of families in most parts of the country wood fire and induction stoves because cooking gas cylinders are either expensive or unavailable.

#### Recommendations

Given the acute economic crisis currently gripping Sri Lanka, there is an urgent need for extensive sustained bilateral and multilateral aid to assist with the supply of essential items including fuel, food items, medicines, etc. till such time that the country can mobilize resources domestically. We endorse the recommendations made by civil society groups in Sri Lanka and Food and Agriculture Organization of the United Nations regarding urgent interventions required to address the food and nutrition deficit, including supporting farmers, livestock owners, daily wagers, labourers, urban poor, and other vulnerable groups, especially those in the East and the North, through the provision of foodgrains and cash transfers (links in references).

We are appreciative of the support extended by the Government of India- nearly \$3 billion of aid in different tranches. A billion-dollar tranche was intended as a trade credit line, while a separate tranche for \$500 million was for fuel.

We urge the Government of India to also consider providing an exclusive line of credit for the purchase of food (cereals, dal, vegetables, dairy, animal protein). Similarly, we are happy that the Government of India and the Government of Tamil Nadu have sent initial support of food supplies, thus making an exception to its export curbs for South Asian neighbours in distress through rice and wheat exports. We hope that the Government of India will continue to prioritise its South Asian neighbours in distress. We would urge the government of India to

agree to the demand of the Tamil Nadu government to allow the export of essential goods from Thootthukodi port directly to Sri Lanka.

The crisis in Sri Lanka highlights the urgent need for countries to strive toward self-sufficiency in the production of essential food items to meet the domestic needs and to put in place decentralized food systems with local communities having more control over the production. It also serves as a cautionary tale for governments against pushing arbitrary policies affecting farming and production without adequate preparation and dialogue with farmers.

We would like to urge the Sri Lankan government and society to ensure that this crisis is used as an opportunity to address the economic crisis but also meet the demands for truth, justice, reparations and guarantees of non-recurrence pertaining to the crimes against humanity committed during the civil war.

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(On behalf of the Right to Food Campaign)

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