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Report Highlights:

Rice production is expected to recover in marketing year (MY) 2026/27, after being negatively impacted in MY 2025/26 by Cyclone Ditwah. Sri Lanka's economic situation is improving and is expected to boost the availability of key imported agricultural inputs such as fertilizers and agrochemicals, supporting the production increase. Rice imports are also forecast to be lower as a result of a larger expected crop. For wheat, consumption is expected to rise in MY 2026/27 as a result of the economic recovery, with imports also anticipated to increase slightly.

EXECUTIVE SUMMARY

FAS Colombo forecasts Sri Lanka's marketing year (MY) 2026/2027 (October-September) rice production (milled) at 3.45 million metric tons (MMT), down from the revised MY 2025/2026 estimate of 3.25 MMT. This comes from a higher planted area of 1.19 million hectares, with yields expected to be steady at 4.26 metric tons (MT)/hectare (rough rice). Improved production volumes compared to MY 2025/2026 are generally owed to continued economic recovery trends, facilitated through an International Monetary Fund (IMF) Extended Fund Facility (EFF) arrangement of $2.9 billion and increased earnings from tourism and remittances. Under the EFF program, Sri Lanka has received a total of about $1.74 billion through March 2026. Even after facing significant damage during the recent Cyclone Ditwah in November of 2025, Sri Lanka was able to tap into IMF emergency financing and its own official reserves to meet the urgent needs of citizens and mitigate lasting impact on the economy. This provides foreign currency to allow greater imports of agricultural inputs and fuels which are vital to production. As production recovers, Sri Lanka's MY 2026/2027 rice imports are forecast at 100,000 MT, about 50,000 MT lower than the MY 2025/2026 estimate.

In Sri Lanka, rice plantings occur during the country's two main production seasons – the Maha (the main, first season) and Yala (the minor, second season). Rice production in recent years has been on a positive recovery trend since the economic crisis of 2021-2022. However, rice production, was negatively impacted by Cyclone Ditwah, which damaged 60,863 ha of paddy cultivation during Maha 2025/2026, according to Sri Lanka's Department of Agriculture. Accounting for this loss, FAS Colombo estimates that Sri Lanka's MY 2025/2026 rice (milled) production will be 3.25 MMT.

Sri Lanka is an importer of wheat and wheat flour. The country, the size of the State of West Virginia, with a population of just 23.3 million, has no wheat production. Climatic conditions on the island make wheat cultivation commercially unviable. Currently, wheat flour import taxes are at a higher level than import taxes for wheat grain to discourage flour imports and boost domestic milling, and imported wheat flour quantities have remained low in recent months. The government introduced new regulations, not yet enacted, on wheat flour fortification and extraction rates to try and create healthier options for wheat flour consumers.

FAS Colombo forecasts Sri Lanka's wheat total consumption in MY 2026/2027 (July-June) at 1.1 MMT, a marginal increase of 65,000 MT from the MY 2025/2026 estimate, attributed to the Sri Lankan economy's continuing gradual recovery from the 2021-2022 political-economic crisis. FAS Colombo forecasts Sri Lanka's MY 2026/2027 wheat imports at 1.2 MMT, up by 50,000 MT, from the revised MY 2025/2026 estimated volume, but still 19 percent below the pre-crisis volume of 1.48 MMT. The increase in wheat imports reflects a positive economic outlook.

COMMODITY:

RICE

Table 1. Sri Lanka: Commodity, Rice, Production, Supply, and Distribution (PSD)

Rice, Milled	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Sri Lanka	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1131	1186	1150	1120	0	1190
Beginning Stocks (1000 MT)	404	404	456	660	0	650
Milled Production (1000 MT)	3211	3435	3300	3250	0	3450
Rough Production (1000 MT)	4722	5051	4853	4779	0	5074
Milling Rate (.9999) (1000 MT)	6800	6800	6800	6800	0	6800
MY Imports (1000 MT)	200	200	150	150	0	100
TY Imports (1000 MT)	185	185	150	150	0	100
Total Supply (1000 MT)	3815	4039	3906	4060	0	4200
MY Exports (1000 MT)	9	9	10	10	0	10
TY Exports (1000 MT)	9	9	10	10	0	10
Consumption and Residual (1000 MT)	3350	3370	3400	3400	0	3490
Ending Stocks (1000 MT)	456	660	496	650	0	700
Total Distribution (1000 MT)	3815	4039	3906	4060	0	4200
Yield (Rough) (MT/HA)	4.1751	4.2589	4.22	4.267	0	4.2639

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2026/2027 = January 2027 - December 2027

PRODUCTION

FAS Colombo forecasts Sri Lanka's marketing year (MY) 2026/2027 (October-September) rice production (milled) at 3.45 million metric tons (MMT), up from the revised MY 2025/2026 estimate of 3.25 MMT. This comes from a higher planted area of 1.19 million hectares, with yields expected to be steady at 4.26 metric tons (MT)/hectare (rough rice). Improved production volumes compared to MY 2025/2026 results are premised on the economic recovery of Sri Lanka, itself being facilitated through an International Monetary Fund (IMF) Extended Fund Facility (EFF) arrangement of $2.9 billion and increased earnings from tourism and remittances.[1] This provides the foreign currency liquidity to import agricultural inputs and fuel that have been curtailed since mid-2022. Continued access to imported chemical fertilizers and fuel will be fundamental for the rice crop's continued recovery.

[1] On March 20, 2023, the International Monetary Fund's Executive Board approved an Extended Fund Facility for Sri Lanka. Sri Lanka has received a total of about $1.34 billion in IMF financial support by March 2025, including the fourth tranche of $334 million following the third review under the EFF arrangement.

FAS Colombo estimates that Sri Lanka's MY 2025/2026 milled rice production will be about 3.25 MMT, reduced by 185,000 MT or five percent compared to the previous marketing year, with yields of 4.26 MT/hectare. This considerable drop in rice production is primarily due to (1) crop and infrastructure damage caused by Cyclone Ditwah during Maha 2025/2026 and (2) fuel limitations. On March 18, 2026, the Sri Lankan government reintroduced a QR code-based fuel rationing system to manage fuel shortages due to the conflict in the Middle East. While the system is clear for motorcycles, cars, and buses, some agricultural equipment is not included. When equipment is included, there are concerns that the rations are insufficient for harvesting.

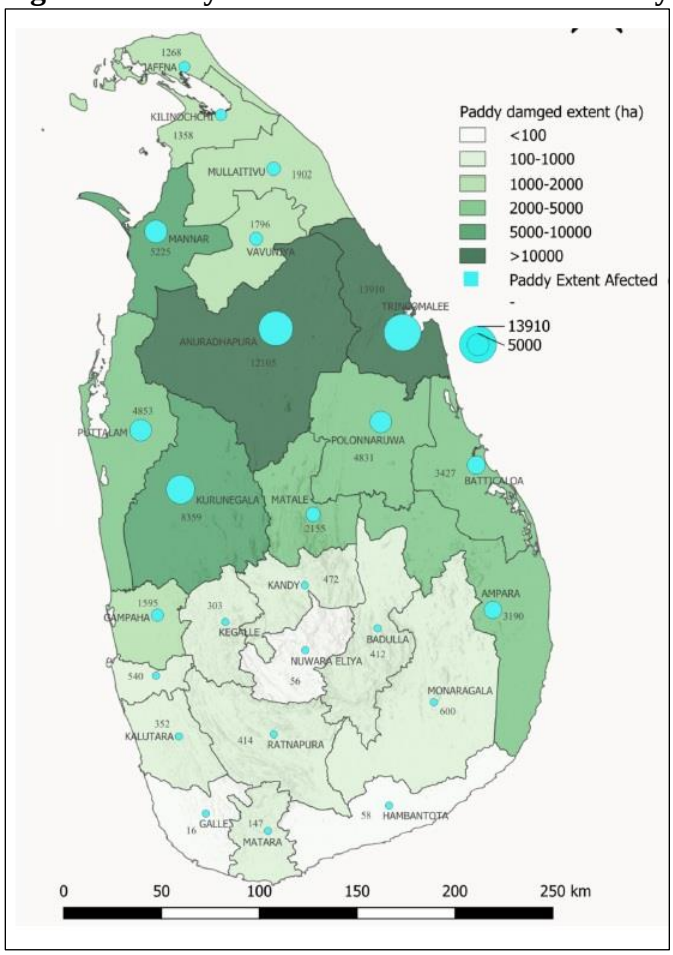
Cyclone Ditwah struck Sri Lanka in late November 2025. It brought torrential rains and strong winds, causing severe flooding, landslides, and widespread infrastructure damage across all 25 districts. This made it one of the worst disasters in decades. The Maha 2025/2026 season has been severely affected. An estimated 60,863 ha of paddy cultivated area was damaged with submerged or waterlogged fields.[2] Paddy fields are generally prone to short-term flooding, but prolonged submerged conditions rot young rice plants. In regions like Polonnaruwa and Ampara, floodwaters deposited massive amounts of mud, sand, and debris, covering young rice shoots and requiring extensive land rehabilitation before replanting. In response, the government immediately compensated paddy farmers and encouraged them to re-cultivate destroyed crops. As such, affected farmers received LKR 25,000 per hectare, up to a maximum of two ha as compensation.

According to Sri Lanka's Department of Agriculture, the sown extent for Maha 2025/2026 at the end of the sowing season (January 2026) was 823,942 ha, including recultivation, achieving 95 percent of the target. The estimated harvested extent is 732,861 ha. The expected paddy production is 2.64 MMT, which accounts for crop loss from flood damage.[3] This is a four percent reduction from the Maha 2024/2025 paddy production of 2.74 MMT.[4]

FAS Colombo has revised the MY 2024/2025 rice production (milled) up to 3.43 MMT to reflect final data from the Sri Lanka Department of Agriculture.

[2] Crop Forecast, Maha 2025/2026, Department of Agriculture (February 2026)
[3] Crop Forecast Report, Department of Agriculture, February 2025.
[4] Paddy Statistics, 2024/2025 Maha, Department of Census and Statistics.

Figure 1. Paddy Affected Area Due to Ditwah Cyclone, November 2025



Source: Crop Forecast, Maha 2025/2026, Department of Agriculture (January 2026)

Table 2. Sri Lanka, Fertilizer Imports by Origin in MY 2024/2025

Importing Country	Volume (MT)	Share (%)
China	300,594	45
Qatar	73,518	11
Uzbekistan	70,287	10
Russia	58,695	9
United Arab Emirates	36,243	5
Saudi Arabia	31,000	5
Vietnam	17,519	3
Jordan	13,614	2
Oman	11,037	2
Norway	9,491	2
India	8,942	1
Other	33,001	5

Source: Trade Data Monitor

The fertilizer supply chain, which suffered a severe shortage during 2021-2022 has now recovered by Maha 2025/2026. Although the fertilizer prices were high compared to pre-crisis levels, there was sufficient fertilizer made available during the Yala 2025 and Maha 2025/2026 seasons. Further, the government provided a fertilizer subsidy of LKR 25,000 per hectare for a maximum of two hectares per farmer. The current market prices of fertilizers are (as of February 20, 2026):

- Urea: LKR 9,000 (~$28.81) per 50-kilogram (kg) bag.
- TSP: LKR 12,000 (~$38.41) per 50- kg bag.
- MOP: LKR 9,000 (~$28.81) per 50-kg bag.

Sri Lankan agricultural policy has focused over the years on achieving national self-sufficiency in rice production. The government will provide fertilizer subsidies for farmers cultivating paddy lands for the Yala 2026 season. This will be valuable as recent reports indicate that fertilizer prices are rising in response to disruptions in the Middle East. Farmers may limit application or substitute imported products for local alternatives. Accordingly, LKR 25,000 will be provided per hectare, up to two hectares, for paddy cultivation. A sum of LKR 15,000 per hectare, up to two hectares, will be provided for other field crops (legumes like mung bean, cowpea, and sesame) cultivated in paddy lands. These cash transfers will be deposited into farmers' bank accounts. Despite delays in disbursement, the cash allowance continues to provide essential support to rice farmers mitigating high production costs, including inflated expenses for fuel, labor, machinery rental, and imported agrochemicals.

Table 3. Sri Lanka: Fertilizer Requirements, Per Hectare and Fertilizer Costs

Fertilizer Type	Approximate Fertilizer Requirement per Hectare of Rice Paddy in kilograms (For 3.5 months variety)	Expenditure to Purchase Fertilizer at Current Market Price (LKR/Ha)
Urea	225	40,500 ($129.65)
TSP	55	13,200 ($42.26)
MOP	60	10,800 ($34.57)

Source: Fertilizer requirement data Dry and Intermediate Zone (Rainfed) Crop Calendar and Dry and Intermediate Zone (Irrigated) Crop Calendar. Prices are as of February 20, 2026.

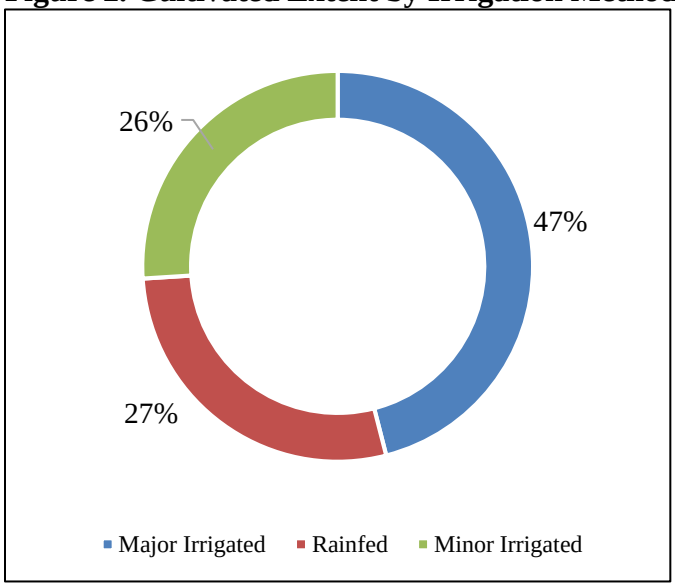
Rice Planting Seasons: In Sri Lanka, rice plantings occur during the country's two main production seasons – the Maha (the main, first season) and Yala (the minor, second season). Under normal climatic conditions the Maha season produces the country's major rice crop (i.e., 60-65 percent of the annual production), with harvesting occurring in February through April. Water supply for rice crop cultivation is a critical factor. The Maha season ends typically in March, with the retreat of the northeast monsoon (which normally occurs December-February/March). The rice crop's productivity is susceptible to the availability of good and timely monsoon rains.

The subsequent Yala season (running May to August) normally produces the country's minor rice crop (i.e., 35-40 percent of annual production), with an August-September harvest date. This growing season tends normally to have lower water availability deriving from the southwest monsoon (May-September), resulting often in lower plantings and lower overall production.

Sri Lanka's paddy rice (rough) cultivation is dependent on rainfall water, distributed under the rainfed irrigation method. The minor irrigation mode of production includes recourse to the water tanks (known

locally as *wewa*). The major mode of irrigation includes reservoirs that supply water through formal control systems; handling paddy fields with extensions greater than 80 hectares.

Figure 2. Cultivated Extent by Irrigation Method - Maha 2025/2026



Source: Crop Forecast, Maha 2025/2026, Department of Agriculture (February 2026).

Water Availability

Extreme weather patterns are a growing challenge to Sri Lanka's rice production. Cyclone Ditwah highlighted the country's high vulnerability to climate variability, particularly within its agricultural sector, which was already struggling with the economic crisis. Furthermore, scattered rains in February-March 2026 impacted the harvest operations of the Maha 2025/2026 rice crop in several areas. As of March 2026, water levels in most reservoirs are dropping rapidly due to the extreme dry weather prevailing in the Central Highlands. However, there is anticipation that the start of the southwest monsoon in May will bring considerable rain allowing for sufficient water for Yala 2026.

What to Expect in MY 2026/2027 and Beyond

The Sri Lankan government subsidizes the production of rice in pursuit of rice self-sufficiency, a national food security concern. Earlier, the government imported fertilizers and provided them to rice farmers in allotments sufficient to cover two hectares of paddy rice fields. Now, a fertilizer subsidy is provided as a direct cash transfer to farmers' bank accounts to try and increase efficiency. Irrigation water is also provided free of charge to farmers through an extensive canal system. Each political party ensures that rice farmers are protected, and these subsidies are provided to encourage paddy farming. Especially after the Cyclone Ditwah, the Sri Lankan government promptly supported farmers while encouraging them to recultivate their destroyed paddy fields.

The Sri Lankan government's focus is now on increasing rice productivity and the resilience of rice-based ecosystems. The Government is considering easing restrictions on the production of rice by-products in the near future. Since June 24, 2022, the law has prohibited the sale or use of rice or paddy for animal feed production. Sri Lanka currently produces only about 50 percent of its corn requirement

locally, with the remainder imported. Due to limited land available for corn cultivation, the government focuses on increasing rice productivity, enabling excess paddy to be used as animal feed, especially for the growing poultry industry.

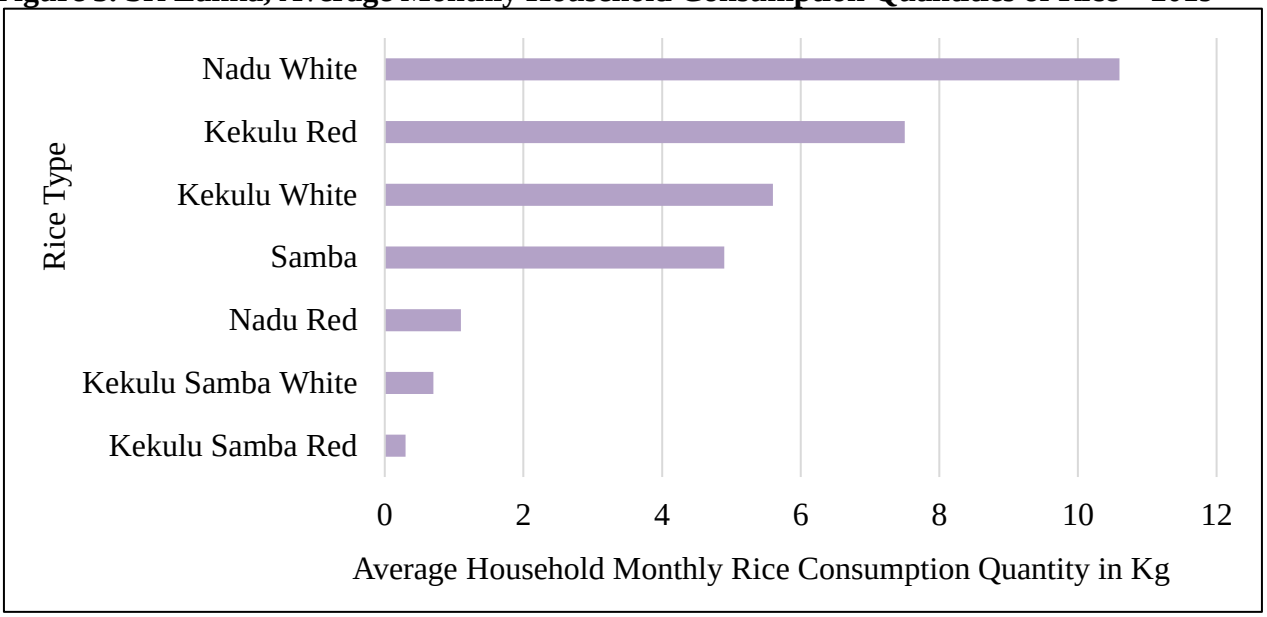
CONSUMPTION

FAS Colombo forecasts Sri Lanka's MY 2026/2027 rice consumption at 3.49 MMT, a slight increase from the MY 2025/2026 estimate of 3.4 MMT. A small rise in consumption is due to stabilized rice prices, and a recovery in local rice production attributable to the country's ongoing economic recovery and increased tourist arrivals, which are expected to increase foreign currency reserves and allow for greater imports of chemical fertilizer and other agricultural inputs.

Rice remains a mainstay in Sri Lanka's diet and lifestyle, and at least two of every three daily meals are comprised of rice and curry. It is the staple food of the vast majority of the country's population of 23.3 million (2023 estimate). Rice provides the populace with about 45 percent of its total calories and 40 percent of the total protein requirements. On a per capita consumption basis, overall rice consumption in MY 2026/2027 is expected to be 107 kilograms per annum.

Sri Lanka's Household Income and Expenditure Survey (HIES) – 2019 (most recent), places at the national level, the average monthly household consumption of rice at 30.7 kilograms. Consumer behaviors differ among urban, rural, and estate sectors. The largest consumption of rice occurs within the estate sector, where households consume 35.9 kilograms of rice monthly. Rural household rice consumption is lower at 31.8 kilograms monthly but is lowest in urban areas where households have trimmed back monthly rice intake to 24.1 kilograms. Nadu White is the highest consumed rice variety, followed by Kekulu Red (Raw Red Rice), Kekulu White (Raw White Rice), and Samba. Consumer preferences on rice variety vary by sector. Both the estate and rural sectors are large consumers of Nadu White, while the urban sector favors Samba rice. Imported basmati is consumed by a niche segment of population only and mostly targeted for tourists at hotels and restaurants.

Figure 3. Sri Lanka, Average Monthly Household Consumption Quantities of Rice – 2019



Note: Kekulu is the raw rice. Parboiled rice produced from short-grain paddy rice is known locally as Samba, while the long-grain paddy is referred to Nadu rice.
Source: Household Income and Expenditure Survey 2019, Department of Census and Statistics of Sri Lanka.

Over the years, large-scale millers have improved rice quality by adopting modern, automated technologies, and optimizing parboiling techniques to ensure higher milling yield and fewer defects. Large millers also have temperature-controlled silos to control paddy moisture content and keep it fresh. About 60 percent of paddy is parboiled to improve nutritive value, storage, and strength, thereby reducing broken rice. These innovations and investments have led to the production of more uniform, impurity-free rice with minimal breakage, meeting demands for high-quality, safe, and consistent rice. Especially in the urban sector, there is a growing demand for premium rice irrespective of price. Locally produced rice varieties are available in packs with detailed labeling that includes the rice variety, manufacturing date, expiry date, nutrient content, Glycemic Index (GI) value, and other special characteristics. However, these rice types are priced at nearly LKR 600 per kilo, which is nearly triple the price of regular rice.

While Sri Lanka's economy is in recovery, lower-income households are still struggling to return to pre-crisis levels of income, earnings, and consumption. High poverty rates (above 20 percent) compromise access to sufficient, nutritious food.[5] In addition, middle- and high-income-earning families are also affected by the high direct and indirect taxes as measures for economic recovery. The World Bank reported that Cyclone Ditwah caused an estimated $4.1 billion in direct physical damage to buildings and contents, agriculture, and critical infrastructure, equivalent to about four percent of Sri Lanka's Gross Domestic Product (GDP). Further, Cyclone Ditwah severely affected close to two million people and 500,000 families across all 25 districts, which will negatively affect their consumption.[6] As coping strategies, households often compromise in the quality, quantity, and frequency of meals. However,

[5] Sri Lanka's Economy Shows Signs of Stabilization, but Poverty to Remain Elevated.
[6] Damage from Cyclone Ditwah in Sri Lanka Estimated at $4.1 Billion (World Bank, December 2025).

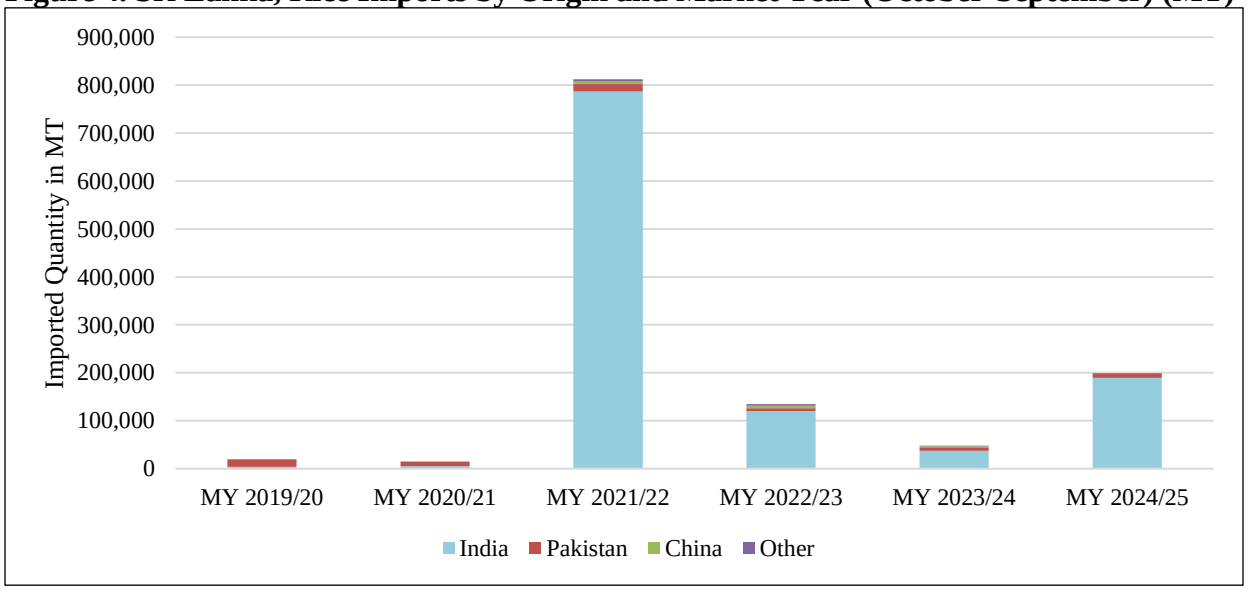
because rice is a staple food and affordable, its consumption did not drop drastically even during the economic crisis, and the same can be expected as the country rebuilds from the recent cyclone.

TRADE

Imports

FAS Colombo forecasts Sri Lanka's MY 2026/2027 rice imports at 100,000 MT, 50,000 MT lower than the MY 2025/2026 estimate. This is attributed to the country's rice production increasing with the renewed use of imported chemical fertilizers and the application of best agricultural practices. Although Cyclone Ditwah damaged the paddy crop, it is unlikely to lead to larger rice import volumes during MY 2025/2026. This is because Sri Lanka maintains sufficient stocks to meet demand even amid the downturn in production, and damaged crops have been replanted, suggesting the next harvest will recover quickly. About 90-95 percent of rice imports come from India (Figure 4).

Figure 4. Sri Lanka, Rice Imports by Origin and Market Year (October-September) (MT)



Note: MY 2024/2025: October 2024-September 2025.
Source: Trade Data Monitor.

The Special Commodity Levy (SCL) is applicable to three major rice types consumed in the country. Husked brown rice, raw rice, and parboiled rice fall under the SCL, and importers must pay LKR 65 per kilogram of rice and obtain an import control license prior to import. For any commodity under SCL, importers do not need to pay any other import duty. These SCLs are valid through December 31st, 2026 (Table 4). Basmati rice is not produced locally and is primarily imported from India and Pakistan. The import of basmati rice is allowed without a prior import license, but is subject to a general tariff duty rate of 20 percent or LKR 80 per kilogram, plus other import duties.

Table 4. Sri Lanka, Rice, Import Control Measures, and Import Duty Tariff Rates

HS Code	Description	Import Control Measure	General Duty	VAT	PAL	CESS	SSCL	SCL
1006	**Rice**							
1006.10	Rice in the husk (paddy or rough)	Imports Control License	20% or Rs.80/= per kg	18%	Excluded	10% or Rs.40/= per kg	2.5%	
1006.20	Husked (brown) rice	Imports Control License	20% or Rs.80/= per kg	18%	Excluded	10% or Rs.40/= per kg	2.5%	Rs. 65/- per kg until 31/12/2026
	Raw Rice							
1006.30.11	Basmati rice (as defined by Department of Agriculture)		20% or Rs.80/= per kg	18%	10%	10% or Rs.40/= per kg	2.5%	
1006.30.19	Other	Imports Control License	20% or Rs.80/= per kg	18%	Excluded	10% or Rs.40/= per kg	2.5%	Rs. 65/- per kg until 31/12/2026
	Parboiled Rice							
1006.30.21	Basmati rice (as defined by Department of Agriculture)		20% or Rs.80/= per kg	18%	10%	10% or Rs.40/= per kg	2.5%	
1006.30.29	Other	Imports Control License	20% or Rs.80/= per kg	18%	Excluded	10% or Rs.40/= per kg	2.5%	Rs. 65/- per kg until 31/12/2026
1006.40	Broken rice	Imports Control License	20% or Rs.140/ = per kg	18%	10%	10% or Rs.70/ = per kg	2.5%	

Note: Computation formulae for import duties are available in Preamble of Import Tariff on the Sri Lanka Customs' website. VAT = Value-Added-Tax; PAL = Port and Airport Development Levy; SSCL = Social Security Contribution Levy; CESS = Cess levy under Sri Lanka Export Development Act; SCL-Special Commodity Levy.
Source: Import Tariff, Sri Lanka Customs as of March 17, 2026.

Exports

FAS Colombo forecasts Sri Lanka's MY 2026/2027 rice exports at 10,000 MT, a small portion of the total rice (milled) production. The major rice export destinations for Sri Lankan rice include Japan, the United Arab Emirates (UAE), Australia, France, and the United Kingdom, all of which are home to Sri Lankan expat workers and residents. Due to years of protection, Sri Lanka does not produce export competitive, globally traded rice grades like in East Asia. As a result, even if there is a bumper harvest, it does not necessarily lead to increased exports.

Table 5. Sri Lanka, Rice Exports to World, MY 2020/2021 to MY 2024/2025

Market Year (October/September)	MY 2020/2021	MY 2021/2022	MY 2022/2023	MY 2023/2024	MY 2024/2025
Total Exported Rice Quantity (MT)	7,331	5,814	6,879	7,852	8,582

Note: MY 2024/2025: October 2024-September 2025. Source: Trade Data Monitor.

STOCKS

The Sri Lankan government provides no official statistics on the country's paddy and rice stocks, which complicates estimates of actual stock levels. Accusations abound that traders have hoarded rice and that farmers have also held back rice in hopes of obtaining higher prices. The economic crisis, coupled with a lack of available fertilizer at the right time, has reduced the country's rice stocks in recent years. Maha rice production output normally supplies about nine months of rice supply, with the Yala season's production making up the balance. Other than a minor seasonal shortage of *Keeri* Samba (Bg 360) variety, there was no shortage of rice during MY 2025/2026.[7] With rice production in gradual recovery, FAS Colombo forecasts Sri Lanka's MY 2026/2027 rice stock volume to reach 0.7 MMT.

MARKETING

The paddy rice (rough) marketing system in Sri Lanka consists of both the private and public sectors. However, 90 percent of paddy rice produced is picked up by the private sector directly off the fields. The government, even when it has the financial resources available, absorbs about 10 percent of domestic rice production.[8] The biggest problem faced by the paddy rice farmers at harvest time is the very low paddy rice prices prevailing in the market. During the harvest, prices plumet below the minimum floor price due to the excess supply of paddy rice.

The Paddy Marketing Board (PMB) resumed its paddy purchasing operations in February 2026, utilizing funds received from the Treasury (LKR 10 billion). However, farmers are currently hesitant to sell their paddy to the PMB as the private sector offers hassle-free sales. For example, private millers come to the field to purchase wet paddy (about 18-19 percent moisture), whereas sale to PMB requires farmers to dry (14 percent moisture) and transport their paddy to PMB stores themselves, leading to additional costs.

As per PMB, the minimum purchase price of paddy for the Maha 2025/2026 season (rupees per kilogram) is as follows: for standard paddy with a moisture content of 14 percent, *Nadu* paddy will be purchased at LKR 120 per kilogram, *Samba* paddy at LKR 130, and *Keeri Samba* paddy at LKR 140. The government's certified paddy prices helped farmers secure higher prices from private traders through competition. Farmers noted paddy prices of LKR 100-120 per kilo by private millers during Maha 2025/2026. Anything selling for less than LKR 100 per kilo is not profitable for farmers.

[7] The controlled price which stands at LKR 260/Kg is the main contributor for shortages in the market.

[8] Japan International Cooperation Agency (JICA) and System Science Consultants Pvt. Limited (SSC). 2013. Agricultural Distribution and Marketing Network in Sri Lanka: A Report Submitted to JICA Tokyo, 2013.

Prices

Rice prices vary by rice variety and the production process (i.e. red vs. white; raw vs. parboiled). For specialty rice, for example, imported basmati is priced at LKR 700 to 1,800 per kilogram and there are no regulations to control prices. About 15 years ago, Nadu (parboiled rice) prices were below red rice. Over the years, Nadu prices moved up mainly due to quality of parboiled rice improved with the steaming and drying system used by private mills which reduced the bad smell. Currently, White Nadu is the most consumed rice type in Sri Lanka, followed by Red Nadu.

When retail prices surge, the Sri Lankan government sets a maximum retail price (MRP) through the state-run Consumer Affairs Authority (CAA). December 2024 introduced MRPs are still in place (Table 6).

Table 6. Sri Lanka, Regulation of Rice Prices - Current Maximum Retail Prices (MRP) of Rice

Rice Type	Revised Maximum Retail Price (MRP) (LKR/Kg) Effective from December 9th 2024	Previous Maximum Retail Price (MRP) (LKR/Kg) (May 2022 Gazette)
Keeri Samba (Bg 360) -Local	260	260
White /Red Samba - Steamed/Boiled-Local (excluding *Suduru* Samba)	240	230
White /Red Nadu - Steamed /Boiled -Local (excluding *Mottaikarupan* and *Attakari*)	230	220
White /Red Raw Rice-Local	220	210

Note: MRPs for imported Raw Rice are LKR 210, Nadu LKR 220, and Samba LKR 230.
Source: Consumer Affairs Authority, December 2024.

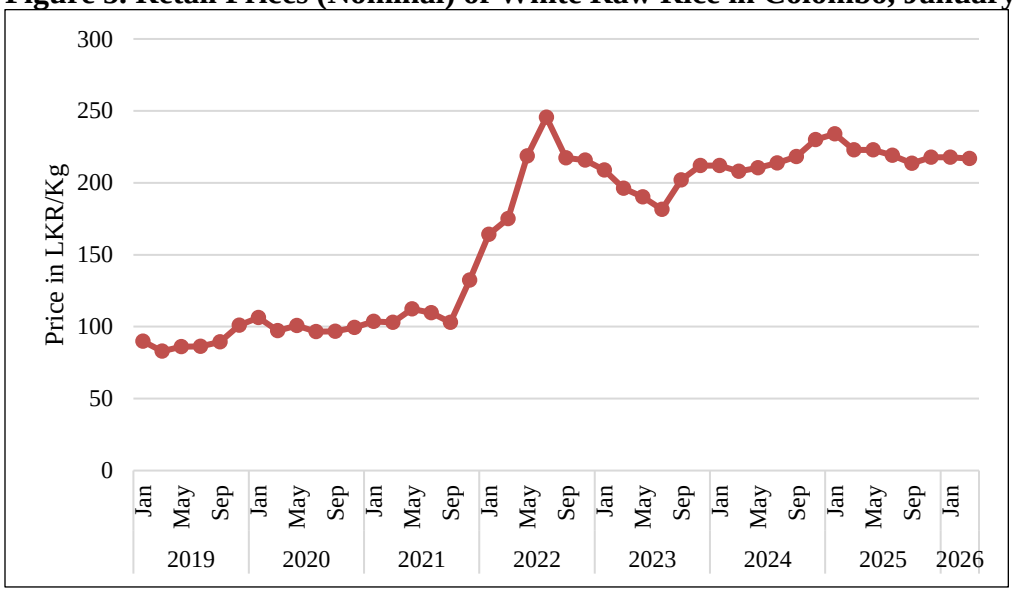
Table 7. Sri Lanka, Rice Prices by Type

Rice Type	Price March 2026 (LKR/Kg)	Price March 2025 (LKR/Kg)
Raw Red - Local	208.36	225.58
Raw White - Local	215.63	224.74
Nadu White - Local	229.24	232.82
Samba	268.22	248.48
Ponni Samba - Imported	282.50	253.07

Source: Department of Census and Statistics, Sri Lanka.

Except for Samba rice, retail prices of other rice types are on a decreasing trend in 2026 compared to their prices in 2025. Despite government efforts to control Samba prices, and keep rice affordable for the public, market prices of Samba in MY 2025/2026 exceeded the MRP prices. Generally, price spikes occur in December-January, which is the lean period before the Maha crop's harvest (Figure 5).

Figure 5. Retail Prices (Nominal) of White Raw Rice in Colombo, January 2019–March 2026



Source: Department of Census and Statistics, Sri Lanka.

COMMODITY:

WHEAT

Table 8. Sri Lanka: Commodity, Wheat, Production-Supply-Distribution (PSD)

Wheat	2024/2025		2025/2026		2026/2027	
Market Year Begins	Jul 2024		Jul 2025		Jul 2026	
Sri Lanka	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	68	68	66	66	0	91
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1034	1034	1100	1150	0	1200
TY Imports (1000 MT)	1034	1034	1100	1150	0	1200
Total Supply (1000 MT)	1102	1102	1166	1216	0	1291
MY Exports (1000 MT)	86	86	75	90	0	100
TY Exports (1000 MT)	86	86	75	90	0	100
Feed and Residual (1000 MT)	50	50	50	60	0	60
FSI Consumption (1000 MT)	900	900	950	975	0	1040
Total Consumption (1000 MT)	950	950	1000	1035	0	1100
Ending Stocks (1000 MT)	66	66	91	91	0	91
Total Distribution (1000 MT)	1102	1102	1166	1216	0	1291
Yield (MT/HA)	0	0	0	0	0	0

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2026/2027 = July 2026 - June 2027

PRODUCTION

Sri Lanka does not produce wheat locally primarily due to its climate, which is not suitable for wheat cultivation. The country's wheat requirement is fulfilled by importation of wheat for flour milling and direct wheat flour imports.

Wheat Flour Milling

The country for decades has been importing wheat for flour milling.
In Sri Lanka there are only two flour millers operating (Prima Ceylon Ltd., and Serendib Flour Mills) for milling wheat for human consumption. Imported wheat is milled under controlled conditions at the port-of-entry (Colombo and Trincomalee). These two millers are responsible for most of Sri Lanka's annual wheat imports. With a 3,600 MT/day milling capacity, the larger of the two millers, accounts for the bulk of Sri Lanka's flour milling. Sri Lanka has excess milling capacity that outpaces domestic demand for wheat flour. The largest milling facility has 350,000 MT storage capacity.

Different Flour Types for Different Market Segments

Millers have diversified their products in the wheat flour market for offering over 20 varieties of flour. For example, bakers flour for the bakery industry, Rotti (flat bread commonly consumed in Asia) flour for the eateries, household flour for domestic households, and separate flour for noodle, biscuit, cake, and whole meal flour, among others. Further, millers introduce premium bakery flour for bakeries looking for a superior product. Premium flour provides whiter and softer bread, which is also preferred. In addition, millers introduce flour with high dietary fiber for health-conscious consumers.

CONSUMPTION

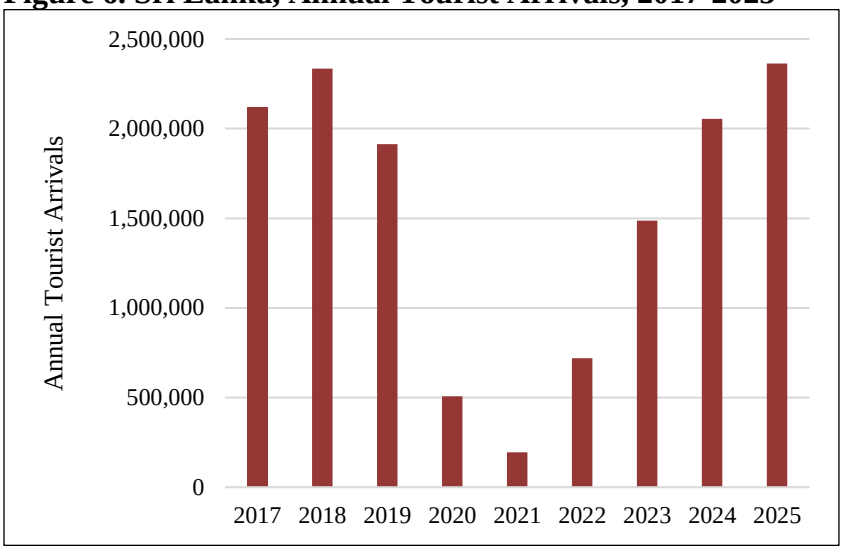
Wheat flour-based products are the nation's second staple food. FAS Colombo forecasts Sri Lanka's Market Year (MY) 2026/2027 (July-June) wheat total consumption at 1.1 million metric tons (MMT), representing an increase from the revised MY 2025/2026 estimate of 1.035 MMT.

The modest increase in consumption is attributed to Sri Lanka's economic growth**.** The World Bank in its latest Global Economic Prospects (January 2026 report) noted that Sri Lanka's Gross Domestic Product (GDP) is expected to grow by 3.5 percent in 2026 and 3.1 percent in 2027. According to the World Bank, Sri Lanka's estimated growth is 4.6 percent in 2025. The report attributes the expected slowdown to structural weaknesses in markets, lasting effects of the economic crisis, and weaker external demand driven by global uncertainty.

In addition, the country's hospitality industry is a major driver of wheat consumption. International tourists typically consume more flour-based products—such as bread, pastries, and pasta—than the traditional rice-based staples favored by the local population. Following a period of economic challenges, Sri Lanka's tourism industry is experiencing a rapid recovery, with over 2.36 million visitors in 2025, nearly a 15 percent increase in visitor arrivals compared to 2024, and targets 3 million visitors in 2026 (Figure 6). Between 1 January to 8 March 2026, a total of 604,301 tourists visited the island nation.

In 2025, the highest number of tourists arrived from India, followed by United Kingdom, Russia, Germany, and China. This is no small number when compared to Sri Lanka's population of just 23.3 million (2023 estimate).

Figure 6. Sri Lanka, Annual Tourist Arrivals, 2017-2025



Source: Sri Lanka Tourism Development Authority (SLTDA)

Flour prices are much lower than the highs they reached during the economic crisis but have been relatively stable. Between March 2026 and March 2025, the price of a kilogram (kg) of wheat flour has hovered around LKR 180. Although the wheat flour price helps in stabilizing the market, many households have not achieved their pre-crisis levels of consumption due to limited disposable income after paying higher direct and indirect taxes, high utility bills, and the rising cost of other essentials such as cooking gas.

Consumption of Wheat Flour-based Products and Health Concerns

As a response to some health concerns, millers and bakers have introduced bread made of whole wheat or wheat flour with high dietary fiber content. Further, the Sri Lankan government has also introduced new regulations to increase the nutrient and fiber content of domestically milled wheat flour. Accordingly, the new regulation requires wheat flour to fortify with folic acid and iron, as well as to maintain a minimum of 80 percent of extraction rate of refined wheat flour for retail sale for domestic consumption and bread manufacturing effective since January 1, 2024 (For more information, please see, GAIN|CE2023-0015|Sri Lanka Enacts New Legislation for the Fortification of Refined Wheat Flour). However, this regulation is not strictly enforced by the government authorities, and it is expected to be revised to address the industry concerns.

Consumption of wheat flour and related products varies by geographic location in Sri Lanka. Wheat flour is the main source of nutrition for plantation communities, and poverty levels are also high among them. Therefore, anemia is more prevalent among tea plantation communities due to a lack of a balanced diet. Nutrition experts have identified flour fortification as a way to address anemia and folate deficiencies. Currently, most of the domestically milled wheat flour available in the domestic market is fortified with iron and folic acid.

Table 9. Household Monthly Consumption of Wheat Flour and Bread by Sector

Sector	Wheat Flour (Kg)	Bread (Normal) (Kg)
Sri Lanka	1.8	3.5
Urban	1.4	5
Rural	1.6	3.3
Estate Plantation	9.1	3.1

Source: Household Income and Expenditure Survey, 2019. Department of Census and Statistics.

The government's new policy prevents the use of refined wheat flour (with a 60-70 percent extraction rate), pushing manufacturers to produce only fortified whole wheat flour with the higher 80 percent extraction rate. While the policy aims to uplift public health by increasing the nutritional content of flour, it could severely compromise the quality of bakery products and eventually result in consumer dissatisfaction. The industry asserted that it has been rushed without fully considering its broader economic implications.

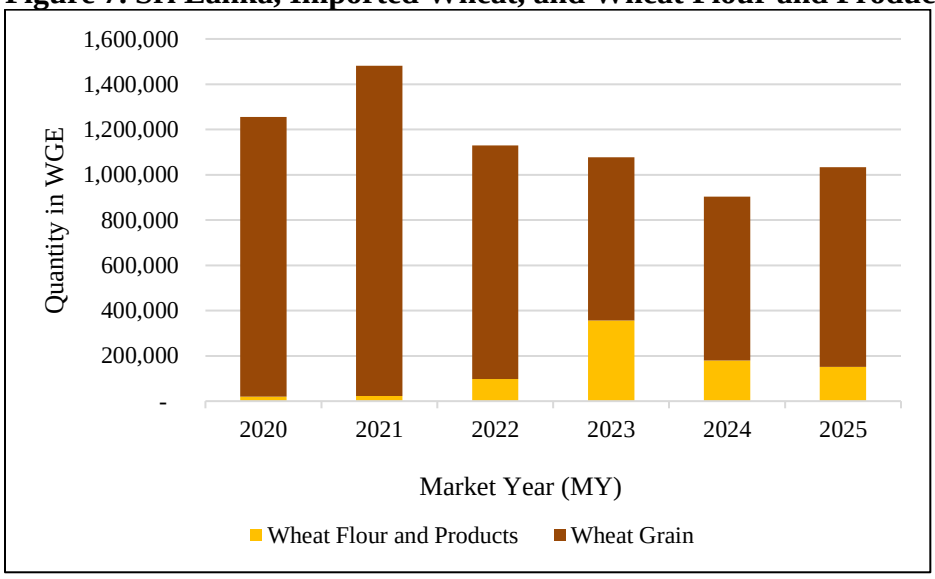
TRADE

Imports

Wheat and wheat flour account for the largest share of Sri Lanka's cereal imports. Large quantities of flour are only imported when local production is insufficient to cover domestic needs.
FAS Colombo forecasts Sri Lanka's MY 2026/2027 wheat imports at 1.2 MMT, up by 50,000 MT, from the revised MY 2025/2026 estimated volume of 1.15 MMT. However, MY 2026/2027 forecasted imports are still 19 percent below the MY 2020/2021 pre-crisis value of 1.48 MMT. FAS Colombo attributes the slight increase in wheat imports in MY 2026/2027 to the country's gradual economic recovery.

The imported wheat flour quantities remain low when compared to the import volume of wheat grain for flour milling. Total wheat flour imports peaked in MY 2023/2024, followed by a decline (Figure 7). During MY 2025/2026, Sri Lanka imported 132,320 MT of wheat flour from Turkey, a 19 percent reduction compared to MY 2024/2025 flour imports. This decline is due to the government's increase in import duty on wheat flour to Rs 27 per kilogram, or a 20 percent tax, an additional 10 percent Port and Airport Levy (PAL), and a 2.5 percent Social Security Contribution Levy (SSCL), beginning in August 2023.

Figure 7. Sri Lanka, Imported Wheat, and Wheat Flour and Products (in WGE), 2020-2025



Note: MY=Market Year for wheat, begins in July. MY 2025=July 2024-June 2025.
Source: Trade Data Monitor (TDM).

Sri Lanka's main wheat suppliers include Russia, Canada, Turkey, Romania, and the United States. Import origins are primarily determined by price, leading to higher imports from Russia. Imported wheat from the United States and Canada is used for producing specialty flour products, irrespective of their prices. During MY 2022/2023, wheat flour imports from Turkey were substantial due to reduced taxes on wheat flour imports and Turkey-origin wheat price advantages. Despite increased wheat flour import taxes in August 2023, Sri Lanka continues to import considerable quantities from Turkey. FAS Colombo expects this moderate trend to persist through MY 2026/2027.

At present, import duties are lower for wheat grain than importing wheat flour. There is a five percent, or LKR 6 per kg import tax levied on foreign-origin wheat grain imports. Although the importation of wheat flour is taxed at 20 percent or LKR 27 per kg, the difference does not deter the large-scale flow of Turkish flour into the local market (Table 10).

Table 10. Sri Lanka, Import Tariffs on Wheat, and Wheat Flour (March 2026)

Description (HS Code)	Custom Duty or General Duty	VAT	PAL	SSCL
Wheat grain- non-Durum (1001.99.10)	5% or LKR 6.00/Kg (Preferential duty-free for imports from Pakistan)	Exempted	5%	2.5%
Wheat grain-Durum (1001.91.10)	15% or LKR 12/Kg (Preferential duty-free for imports from Pakistan)	Exempted	5%	2.5%
Wheat flour (1101.00.10)	20% or LKR 27/Kg (Preferential duty-free for imports from Pakistan)	Exempted	10%	2.5%

Note: Computation formulae for import duties are available in Preamble of Import Tariff on Sri Lanka Customs Website.
VAT = Value Added Tax; PAL = Port and Airport Development Levy; SSCL = Social Security Contribution Levy.
Source: Import Tariff, Sri Lanka Customs as of March 10, 2026.

Table 11. Share of Imported Wheat Quantity by Imported Country in MY 2024/25

Imported Country	Imported Wheat Quantity during MY 2025 (Wheat Equivalent Basis)	Share of Wheat Imports (%)
Russia	554,607	54
Canada	185,631	18
Turkey	132,320	13
Romania	108,833	10
United States	31,993	3
United Arab Emirates	12,769	1
Other	7,885	1
Total	1,034,038	

Source: Trade Data Monitor.
Note: MY 2024/25: July 2024-June 2025

Currently, the import of wheat for animal feed is subject to obtaining import control licenses and the prior approval from Sri Lanka's Department of Animal Production and Health (DAPH). Entry requirements are highly restrictive for de-husked, bulk wheat imported for animal feed production. Unlike the case of wheat imports for human consumption, where the two millers' production locations are easily verifiable by authorities, small to medium-sized feed mills are scattered throughout the county and often lack adequate infrastructure, including silos.

Exports

FAS Colombo forecasts Sri Lanka's MY 2026/2027 wheat product exports at about 100,000 MT, up by 10,000 MT compared to MY 2025/2026 estimated quantity of 90,000 MT. The slight increase in export volume, compared to that of previous years, is premised on the increase in wheat imports for flour milling resulting from better access to adequate forex currency available for financing imports and competitive wheat prices globally.

Table 12. Sri Lanka, Total Wheat Imports and Exports

Item	MY 2018/2019 (MT)	MY 2019/2020 (MT)	MY 2020/2021 (MT)	MY 2021/2022 (MT)	MY 2022/2023 (MT)	MY 2023/2024 (MT)	MY 2024/2025 (MT)
Wheat Imports to Sri Lanka from World	1,046,231	1,254,766	1,481,120	1,129,206	1,077,012	903,534	1,034,038
Wheat Exports from Sri Lanka to World	92,920	114,244	96,972	133,203	74,992	80,685	86,445

Note: MY=Market Year for wheat, begins in July. MY 2024/2025=July 2024-June 2025.
Wheat imports and exports include wheat grain, flour, and processed products using wheat like pasta and couscous.
Source: Trade Data Monitor.

The Sri Lankan market of late, has been saturated with domestically milled wheat flour. Excess wheat flour production is exported to neighboring and regional foreign markets. So far this marketing year, the country's main export destinations include the Maldives, Malaysia, Singapore, Cambodia, Hong Kong, and Thailand.

STOCKS

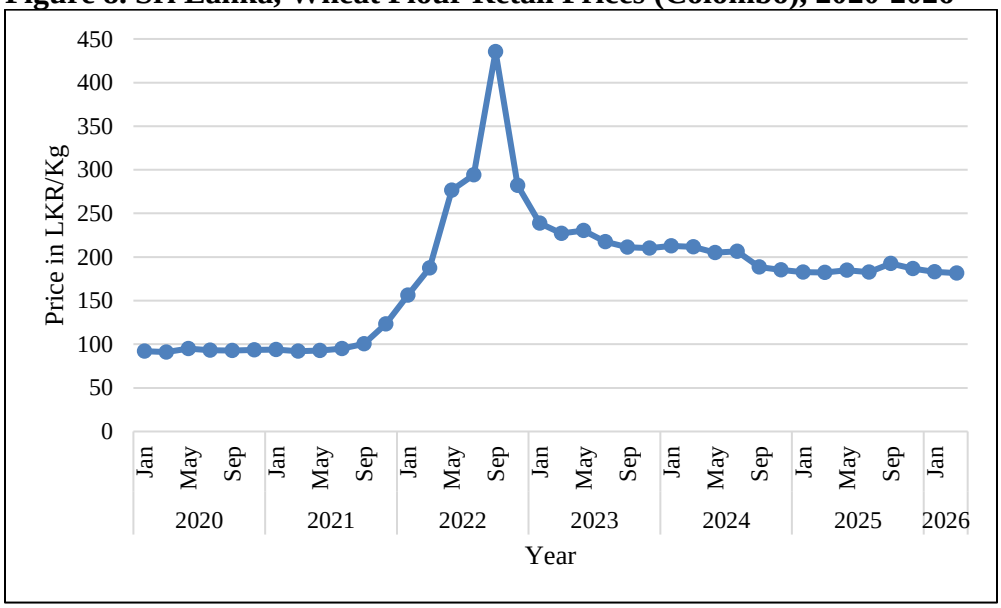
FAS Colombo forecasts Sri Lanka's MY 2026/2027 wheat ending stocks at 91,000 MT, the same as MY 2025/2026.

MARKETING

Prices

Between September 2021 and September 2022, during the height of the crisis, Sri Lankan wheat flour prices skyrocketed by 332 percent (from LKR 100.64 to LKR 435.42 per kg). This surge was driven by a combination of factors including rapid rupee depreciation, rising global wheat prices, and a severe shortage of foreign exchange to fund imports. However, current wheat flour prices remain at nearly LKR 180.00 per kilogram showing stable prices.

Figure 8. Sri Lanka, Wheat Flour Retail Prices (Colombo), 2020-2026



Source: Department of Census and Statistics of Sri Lanka.

Table 13. Sri Lanka, Retail Price, Wheat Flour and Bread in Main Markets in Colombo District (March 2026)

Item	Average Price (LKR/Kg)		% Change in Price First Week of March 2026 compared to March 2025
	First Week March 2026	First Week March 2025	
Wheat Flour	181.61	182.64	-0.6 %
Bread (450 grams)	132.00	132.82	-0.6 %

Source: Department of Census and Statistics of Sri Lanka.

Attachments:

No Attachments