

## **Rice Industry in Sri Lanka: Challenges, Opportunities, and Implications**

W.A.K.M. Udapola, T.P.S.R. Guruge<sup>\*</sup>, M. Gamage and J.M.M. Udugama

*Department of Agribusiness Management,  
Faculty of Agriculture and Plantation Management, Wayamba University of Sri Lanka, Makandura,  
Gonawila (NWP), 60170, Sri Lanka*

*\*Corresponding Author E-mail: guruge84@wyb.ac.lk, TP: +94716679681*

Sri Lanka provides an interesting example of a country with a long-standing, national self-sufficiency policy that has generally been aimed at improving all food crops and particularly for rice production. Although the country is currently able to meet domestic demand for rice, there is a considerable importation that has been highly volatilizing during the past years due to some uncertain reasons. It is unclear whether the country can further rely on domestic production due to projected population growth and change in preferences. On the other hand, current rice yields are also approaching the highest crop yield that a farmer can attain in each climate using conventional technologies. Therefore, it is important for the country to take stock of what the projected demand may be and whether rice production can respond to meet this demand. The aim of this study is to assess the future of the rice industry through production, consumption, export, and import during the last two decades to evaluate the challenges, opportunities, and implications in policy changes and development of the rice industry in Sri Lanka. Data were collected through three secondary sources: the U.S. Department of Agriculture, the International Rice Research Institute, and the Food and Agriculture Organization of the United Nations. The relationship of rice production and total consumption with the time was analyzed by using the goodness of fit for both the long and short run. A polynomial quadratic equation was used to analyze the trends in production, consumption, export, and imports. Based on the results, rice production is decreasing while the long-run consumption is increasing. Subsequently, the forecasted values for imports were increasing too. This is a kind of vicious cycle to be broken through the high production of demanded rice varieties. A major reason for the rice importation is not just the low production, but the lack of production of high demanded rice varieties which are not much produced in Sri Lanka. Therefore, identifying demanded varieties, favourable conditions, imposing import barriers, and shifting consumer preferences towards domestic varieties through marketing strategies are also crucial decisions to be taken.

**Keywords:** Forecasting; Rice import and export; Rice production and consumption; Rice self-sufficiency