

Sri Lanka: Fertiliser shortages: Farmers turning away from cultivation

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- **Paddy farming may drop to 20% in upcoming Yala season**
- **Some farmers and growers plan to exit agro industry due to losses**
- **SL imports 1.2 million MT of chemical fertiliser annually**
- **50 kg pack of urea now priced at Rs. 47,000-50,000**

Uncertainty is looming over the country's food security, with many farmers turning away from cultivation due to ad hoc policies and the existing fertiliser shortage triggered by the ongoing foreign exchange crisis.

Sri Lanka will face a severe food crisis in the coming months unless the Government takes immediate steps to bring down necessary stocks of fertiliser required by various agricultural sectors, especially paddy farming, vegetables, and export crops such as tea, coconut, and cinnamon, farmers and planters have warned.

The fertiliser shortage is already affecting vegetable production, with farmers getting a smaller harvest of a lower quality than expected.

Paddy farmers are also facing severe shortages, which are pushing them away from cultivating their lands in the coming Yala season. Only about 20% of the lands will be cultivated during Yala and it is expected that this will worsen the existing acute shortage of rice, *The Sunday Morning* learnt.

Moreover, tea growers, especially small tea estate owners, are also facing difficulties as they are not getting the expected harvest compared to previous occasions when chemical fertilisers were used.

"We are in a mess. We hoped the Government would enhance our agriculture sector but instead they have ruined it. Now we have no future. We don't know what to do. We're helpless," Senevirathne Banda, a 47-year-old traditional farmer in Polonnaruwa said.

Banda has been cultivating his ancestral paddy field that extends over two hectares for the past many years. Farming is his main income generating method from which his family of six depends on. Banda's paddy field usually yields an average 4,500 kg of paddy, but this year he has seen a drastic reduction in his harvest, which he related to a lack of fertiliser.

"I have just gathered the Maha harvest. This time I'm not going to cultivate for Yala," he determined.

Banda said he had no financial strength to cultivate at present as he had incurred a huge loss from the recent Maha season.

"If I cultivate for Yala, I will definitely go bankrupt. The prices of fertiliser have gone up and we can't afford it," he stressed.

Like Banda, millions of farmers around the country are facing similar strains and many have already given up farming.

According to the National Fertiliser Secretariat (NFS) of the Agriculture Ministry, the country's total paddy cultivation extent in both Yala and Maha seasons in 2020 was 1.3 million hectares with 97,120 hectares of other field crops. As statistics show, Sri Lanka imported a total of 574,705.9 MT of fertiliser last year at a cost of over Rs. 36 billion. Annually, around 1,260,053 MT of fertiliser are imported to the country by spending over Rs. 56 billion. The annual fertiliser demand for paddy and other crops is respectively estimated at around 3,83,000 MT and 8,77,053.5 MT.

On 22 April 2021 President Gotabaya Rajapaksa publicised his decision to ban the importation of chemical fertiliser to Sri Lanka and when this was submitted to the Cabinet on 26 April, the President's proposal was approved. Accordingly, on 6 May 2021, Prime Minister Mahinda Rajapaksa who was also the then Finance Minister published a gazette notification legalising the import ban. Nevertheless, the Gazette 2226/48 of 6 May 2021 stated that the regulations shall only be applicable to the importation of goods that have a Bill of Lading or Airway Bill dated on or after 6 May 2021.

The ban on fertiliser imports was imposed, it is learnt, partly to save foreign exchange and also on health grounds based on advice given by health professionals. However, it was subjected to severe criticism as the Government did not have an organic fertiliser plan to replace the fertiliser shortages. Attempts made by the Agriculture Ministry to import organic fertiliser were also futile as the organic fertiliser did not meet the required scientific tests.

As a result, at the end of November last year, the Government was compelled to lift the ban. The ban which was there only for a few months had completely disrupted domestic agriculture and threatened food availability. Even after the lifting of the ban, the agri sector has yet to recover from the shocks.

Accordingly, the ban on the import of chemical fertilisers was lifted with effect from 30 November 2021.

However, the Government withdrew from fertiliser imports and allowed the private sector to resume imports. Since there were no Government subsidies, the prices of fertiliser had now skyrocketed, and many farmers are now unable to afford fertiliser.

According to NFS, after lifting the ban on chemical fertilisers, more than 93,000 MT of chemical fertilisers including potassium chloride have been imported as of last December. According to official statistics, 62,000 MT of potassium chloride, 31,000 MT of tea fertiliser and 752 MT of fertiliser for vegetables and flowers have been imported. Further, the Secretariat had permitted the import of 1,500 MT of urea, 2,500 MT of direct fertilisers, and 913 MT of mixed fertiliser.

Even though fertiliser is now being imported to the country, many farmers complain that they cannot afford fertiliser as the subsidies had not yet been reinstated by the Government.

Speaking on behalf of the farmers, All Ceylon Farmers' Federation (ACFF) President Namal Karunaratne stressed that the price of a 50 kg pack of urea was now being sold at around Rs. 47,000 and in some places, it had exceeded Rs. 50,000. "Farmers can't afford fertiliser at these prices," he stressed.

"Poor farmers who are now struggling to meet their daily requirements are not in a position to purchase fertiliser at such high rates. They are now burdened by many factors. Even though they cultivate their lands, they don't get the expected yield. Harvesting has also become a problem due to fuel shortages. The transport of the harvest from farmlands to houses is now too expensive with the

high fuel prices,” he stressed.

“Many farmers have now stopped cultivation because they couldn’t find fertiliser, and this will definitely lead to a shortage of vegetables in the local market,” he said, adding that vegetable farmers were highly dependent on chemical fertiliser as hybrid vegetable seeds can only be grown with chemical fertiliser. Moreover, the land has also adapted to chemical fertiliser as this has been used in farming for decades.

“Not just vegetable farmers, but other farmers and plantations are also facing a serious issue at present. We’re not against the Government decision. It should be done but not like this. They have suddenly stopped purchasing chemical fertiliser by putting the entire food supply at risk. They should have first introduced a substitute before imposing the ban,” he added.

Furthermore, explaining the financial difficulties faced by the farmers, Karunaratne stressed that the number of suicides among farmers could also increase in coming months. “One such incident was reported last week and there is a risk of such suicides increasing in coming months as many farmers are facing numerous financial difficulties,” he stressed.

Urging the Government to reinstate the fertiliser subsidy, Karunaratne noted that unless required fertiliser was given to farmers, the upcoming food shortages would not be averted since the lives of farmers were totally dependent on the success of their cultivations.

In such a backdrop, the President recently accepted that it was a mistake to not provide chemical fertiliser for farmers and at the same time the Prime Minister assured that the fertiliser subsidies would be reinstated.

Nevertheless, the ongoing foreign exchange crisis has affected the fertiliser purchases by the private sector and the sector has not yet placed orders to import the required fertiliser for the coming months.

Meanwhile, when contacted, newly-appointed Agriculture Minister Janaka Wakkumbura told *The Sunday Morning* that they were currently looking at all possible avenues to bring down the essential chemical fertiliser to the country to distribute among farmers for this Yala season.

Accordingly, the Government is expecting funds under the Indian credit line as well as from the World Bank. Under the \$ 1 billion Indian credit line, the Agriculture Ministry is to receive \$ 300 million and the Government has also sought \$ 700 million from the World Bank.

Wakkumbura said immediate steps had been taken to distribute locally produced organic fertiliser through the Agriculture Department and the nitrogen requirement would also be assessed.

“We are currently looking at the avenues to bring down necessary fertilisers as soon as possible. As of now, decisions have been taken to bring down fertiliser from India as it is the nearest country,” he stressed.

The Minister also noted that there were nearly 12,000 MT of urea available at present and orders had already been placed for another 35,000 MT by private parties. “We will take immediate action to allocate necessary funds to bring down the orders that have already been placed,” he added.

The Minister further added that the fertiliser subsidy would be reinstated and a price formula would be introduced so as to control the prices of fertiliser sold by private parties.

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