

SAVING LIVES
CHANGING LIVES



Key Highlights

- Overall inflation in April increased to 33.8%, up from 21.5% in March.
- Food inflation accelerated to 45.1% in April year-on-year, up by +10.5% from March. This was driven by increased price of rice, dhal, sugar and milk powder. Non-food inflation increased to 23.9% from 14.5% in March.
- The Global Food Price Index demonstrates a small downward trend. April's decline in the FFPI was driven by a considerable decline in the vegetable oil sub-index and a modest decline in the cereal price sub-index.
- The price of imported rice has risen by 20% due to the currency depreciation. Cost of local rice varieties have increased by 6% due to the supply shortage and high cost of production.
- The price of red lentils rose to a record high, +10% compared to last month and up by +170% from the same time last year.

**Data source: DCS, Sri Lanka/Talking Economics*



Changes in the Policy Environment

- Sri Lanka's national liquid petroleum gas provider (Litro Gas Lanka) increased the price of domestic gas cylinders (widely used for cooking) by 45%, from LKR 2,675 to LKR 4,860 for a 12.5kg gas cylinder, effective midnight of 26 April.
- Discussions between Sri Lanka and the IMF commenced on Monday, 18 April in Washington during which the IMF indicated that they are positive about granting an Extended Fund Facility (EFF). The EFF, if expedited could help stabilize in the short-term until the effects of long-term solutions materialize.
- The Central Bank of Sri Lanka announced on Tuesday, 12th April its decision to resort to a pre-emptive negotiated default of its foreign debt. The Governor of the Central Bank said the decision to suspend normal debt servicing was made in order to redirect scarce foreign reserves towards the purchase of essential items.



Food inflation (NCPI) 45.1*



Headline inflation (NCPI) 33.8%*

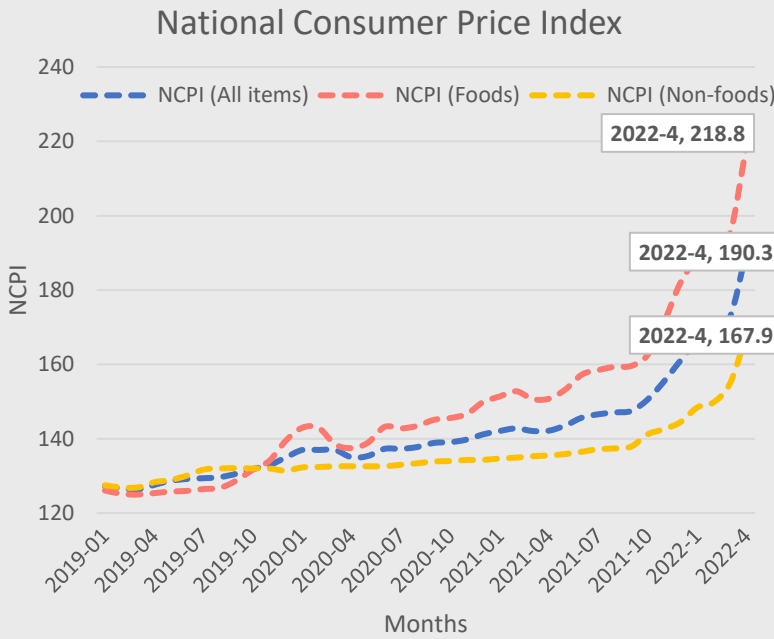


Average food expenditure Rs. 30,889.02 (based on April 2022 food inflation rate)

**Data source: DCS, Sri Lanka*



National Consumer Price Index



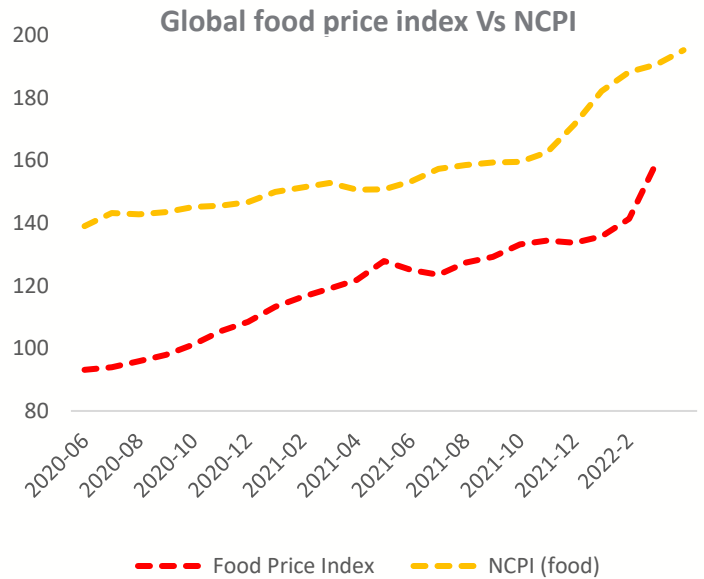
The National Consumer Price Index (NCPI) for all items was 190.3 points in April, a 33.8% increase from the same period in 2021. This is a 17.6 index point increase from the previous month (+10.2%), which represents a monthly increase in expenditure value of Rs. 5,672.59 in the market basket. The rate of food inflation in April as measured by the NCPI on year-to-year basis was 45.1%. Overall food inflation continued to increase from the previous month by +12.1%.

*Data source: DCS, Sri Lanka

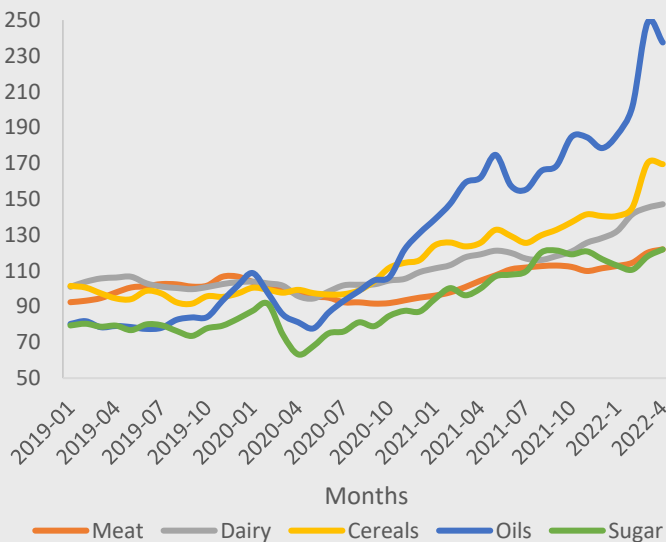
Global Food Price Index

The FAO Food Price Index which tracks international prices of the most globally traded food commodities, FFPI averaged 158.5 points in April 2022, down 1.2 points (0.8%) from March's all-time high but still 36.4 points (29.8%) higher than the same month the previous year. April's decline in the FFPI was driven by a considerable decline in the vegetable oil sub-index and a modest decline in the cereal price sub-index. Meanwhile, the price sub-indices for sugar, meat, and dairy maintained moderate increases.

*Data source: FAO



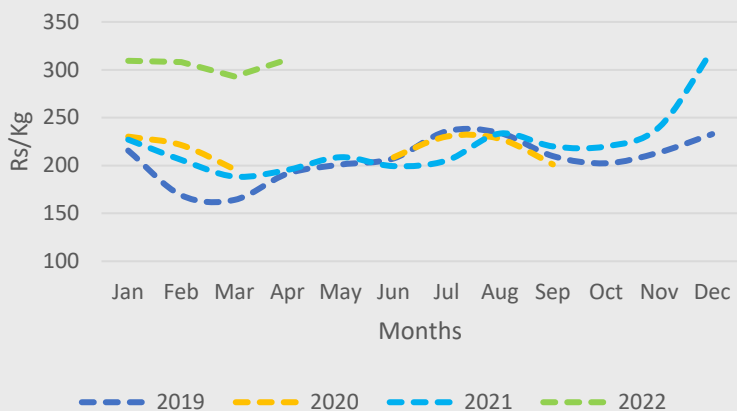
Global Price Index on Major Food Groups



The global Vegetable Oil and Cereal Price Indices decreased, respectively, by 5% and 0.5% compared with the previous month. The decline was driven by lower world prices of palm, sunflower and soy oils, which more than offset higher rapeseed oil quotations. In April, international wheat prices increased, although marginally, by 0.2%. Price rises were mitigated by larger shipments from India, higher-than-anticipated exports from the Russian Federation, and a minor decrease in worldwide demand due to high pricing.

*Data source: FAO

Potato - N'Eliya



Price trend of potatoes

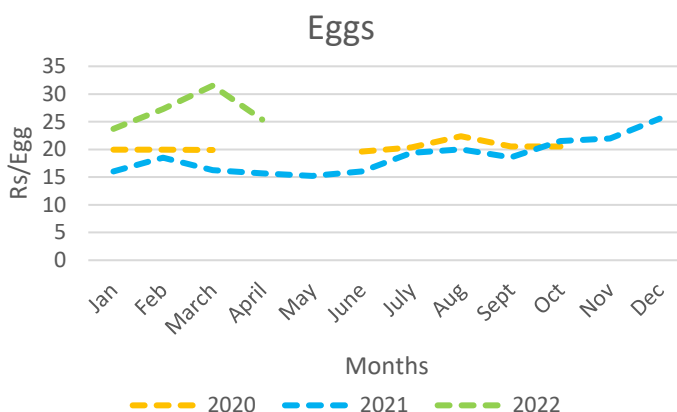
In December 2021, the price of Nuwara Eliya potatoes reached a high of Rs. 320 per kilogram. In April 2022, the price has increased by 5% month-to-month. The present prices of Nuwara Eliya and other imported potato varieties have climbed by 55% compared to the same time period last year. Considering month-to-month fluctuations, the prices of both domestic and foreign kinds have climbed marginally.

**Data source: HARTI, Sri Lanka*

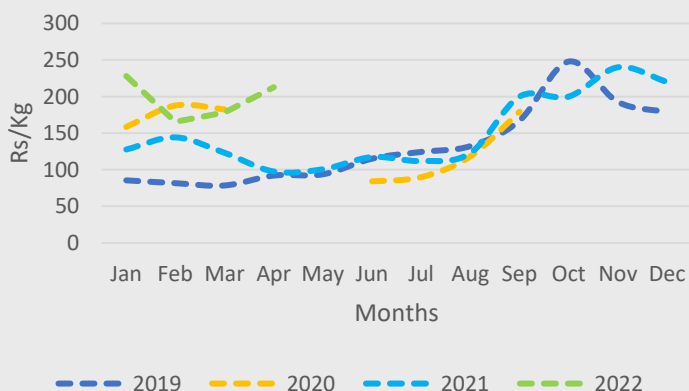
Price trend of eggs

Due to high supply, retail prices of both brown and white eggs have reduced by Rs. 1.00/egg, in accordance with lower wholesale prices. A brown egg costs between Rs. 24.00 and Rs. 27.00, whereas a white egg costs between Rs. 23.00 and Rs. 26.00. White and brown eggs have climbed by 69% and 62%, respectively, when compared to the same period last year.

**Data source: HARTI, Sri Lanka*



Big Onion



Price trend of onions

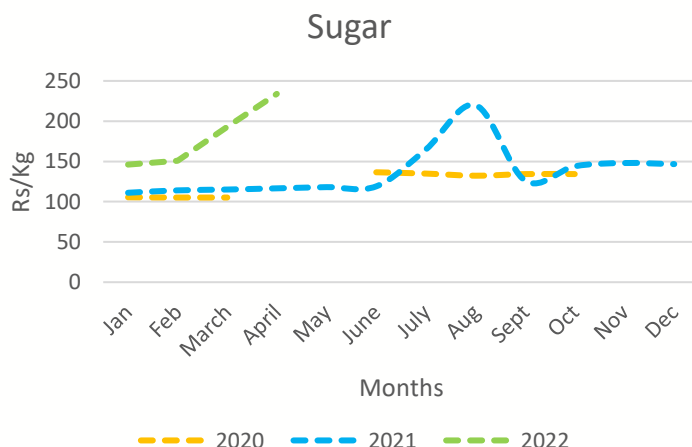
In April, the average price of big onions increased by 8% compared to March. The current prices of sinnan (+2%), vedalan (+38%), imported red onions (+39%), and imported large onions (+8%) are all more than they were during the same time last year. Prices for vedalan and imported red onion have increased by Rs. 14.00/kg and Rs. 21.00/kg, ranging from Rs. 360.00-Rs. 480.00/kg .

**Data source: HARTI, Sri Lanka*

Price trend of Sugar

Following an increase in August and September, the price of white sugar had stabilized at Rs. 146.00/kg until January. Due to the recent depreciation of the local currency, the price of sugar has climbed by 58% since January. The price of sugar has reached its highest point during the month of April at Rs. 233.92/kg.

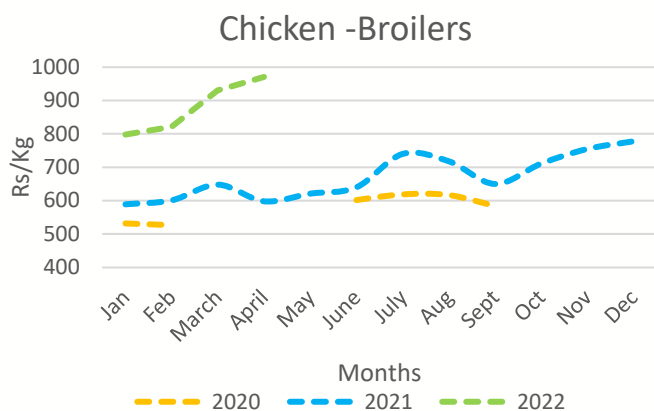
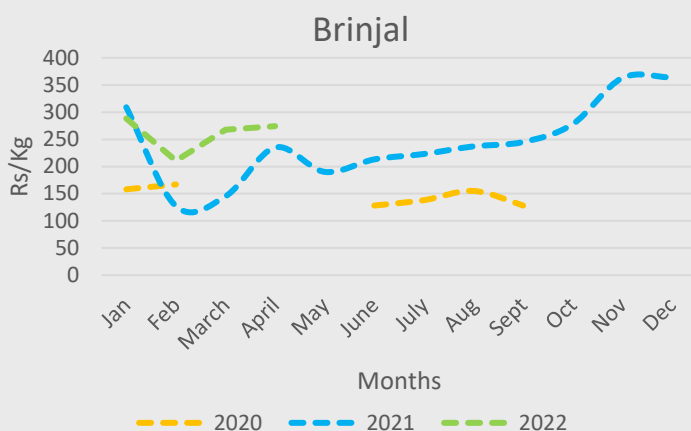
**Data source: DCS, Sri Lanka*



Price trend of brinjal

In April, the price of brinjal increased by 2.3% compared to the previous month. Prices of most vegetable varieties have increased due to lower supply following the Maha vegetable season. Prices of most upcountry vegetables (such as cabbage, leek and beetroot) have decreased due to increased supply from the Nuwara Eliya area.

**Data source: HARTI, Sri Lanka*



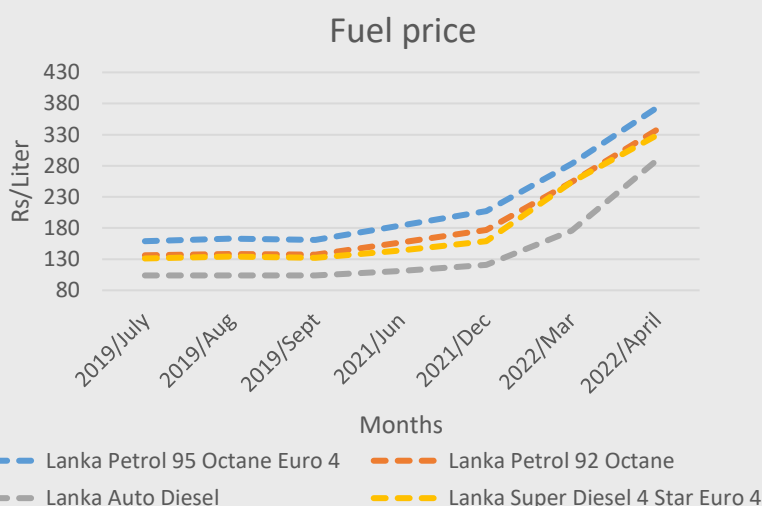
**Data source: HARTI, Sri Lanka*

Price trend of chicken

Overall, the price of broiler chicken and curry chicken increased by 6% from one month to the next. The prices of skinless broiler chicken and skinless curry chicken have risen by Rs. 50.00/kg and Rs. 60.00/kg, respectively, as a result of growing production costs, particularly the cost of feed. Prices have increased on average by 60% compared to the same month last year.

Price trend of fuel

In April, the state-owned oil and gas company Ceylon Petroleum Corporation raised retail prices for petrol and diesel by 33% for 92 octane, 31% for 95 octane, and 65% for diesel, compared to the previous increases implemented in March 2022. This price change followed a competitor's price rise, Lanka IOC. As a result, production and delivery prices for locally produced goods have risen.



Key Issues to Watch

- Based on a joint WFP and Department of National Planning rapid assessment, more than 80% of households are eating less preferred, cheaper food and/ or limiting portion sizes due to the rising prices of food and reduced purchasing power. Households are consuming less diversified and nutritious diets, which fuels the risk of higher rates of malnutrition.
- Continuation of escalating fuel prices and fuel shortages is anticipated with an impact across sectors, including food systems.
- Poor performance of the ongoing Yala paddy cultivation is expected, impacted by fuel shortages and limited availability to fertilizers and pesticides. Reduced paddy yield from two consecutive seasons will likely drive an increase in household food insecurity.
- Despite reaching record highs in April, there is likelihood of increasing inflation in the coming month as fuel prices continue to rise.

Commodity	Range		Average Price		Price Change
	Min	Max	This week	Last week	Last week %
Rice					
Samba 1	220	245	231.43	230	0.62%
Samba 2	210	225	219.41	219.44	-0.01%
Keeri Samba	250	270	262.33	262.39	-0.02%
Nadu 1	210	230	217.07	221.25	-1.89%
Nadu 2	200	210	204.58	210	-2.58%
Raw (Red)	210	220	216.21	228.64	-5.44%
Raw (White)	200	225	215.47	217.89	-1.11%
Samba-Imported	180	200	191.74	204.09	-6.05%
Nadu-Imported	180	200	188.75	195.36	-3.38%
Raw (White)-Imported	170	190	181.35	188.8	-3.95%
Dried Chillies-Imported	1400	1800	1576.67	1663.89	-5.24%
Onion					
Imported	300	400	358.06	362	-1.09%
Big Onion					
Imported	180	250	212.78	248.33	-14.32%
Potato					
N'Eliya	280	320	310.83	336.36	-7.59%
Imported	180	220	198.55	234.78	-15.43%
Pulses					
Green Gram	850	1100	980.33	1173.2	-16.44%
Cowpea (Red)	550	750	661.36	738.13	-10.40%
Red Dhal	480	520	501.08	515.48	-2.79%
Vegetable					
Leeks	100	240	182.96	185.22	-1.22%
Raddish	100	200	177.31	161.5	9.79%
Tomato	160	320	246	254.35	-3.28%
Ladies Fingers	120	280	205.93	163.04	26.31%
Capsicum	360	600	491.54	607.27	-19.06%
Bitter Gourd	280	400	322.22	316.19	1.91%
Snake Gourd	200	320	257.39	250	2.96%
Carrot	100	240	200	216.96	-7.82%
Eggs					
Brown	24	27	25.36	26.4	-3.94%
White	23	26	24.25	25.1	-3.39%
Meat					
Beef (without Bones)	1600	1800	1700	1600	6.25%
Chicken (Broiler)	950	1000	970	967.14	0.30%
Chicken (Curry)	700	980	842.86	800	5.36%
Mutton	2200	2400	2266.67	2216.67	2.26%
Pork	850	1100	962.5	950	1.32%

*Data source: HARTI, Sri Lanka. Ref This week: 22 - 28 April 2022/ Last week- 15 - 21 April 2022