Economic Crisis and Household Food Security

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Hector Kobbekaduwa Agrarian Research and Training Institute

WFP World Food Programme

Australian Aid

HARTI RESEARCH TEAM:

N.P.G.Samantha, Prasanna Wijesinghe, Roshini Rambukwella, Ruvini Vidanapathirana, Nalaka Wijesooriya, Jayamini Champika, Raveena Udari, Anupa Dissanayake, Sangeeth Fernando, M. Dilini D. Perera

SRI LANKA IN SUMMARY

54 percent of households experienced food insecurity (rCARI)

67 percent of households in the estate sector are food insecure; 53 and 43 percent respectively in rural and urban areas

70 percent of *Samurdhi* beneficiaries, 66 percent of households with disabled persons, and 54 percent of households with pregnant and lactating mothers experienced food insecurity

63 percent of households regularly rely on food-based coping strategies

61 percent rely on less preferred food and **37 percent** limit portion sizes

67 percent of households rely on livelihood-based coping strategies

41 percent reduce essential expenses on health and education and **35 percent** spent their savings

Background

The prevailing economic crisis, the worst in post-independent Sri Lanka[i], is spinning off the food crisis, driving households into food and nutrition insecurity. Prices of most food items have been steadily rising since the last quarter of 2021 and reached a record high in September 2022, pushing the year-on-year food inflation rate to nearly 95 percent[ii]. Severe erosion of purchasing power due to high food prices affected households' welfare[iii].

In the above circumstances, it is important for government policymakers to identify the consumption patterns of individuals in the country due to food price upsurges and their impact on the food and nutrition security of households in different sectors. Findings from this study can provide useful information to redesign the existing policy actions, enabling a more robust policy intervention. With this backdrop, the general objective of the study was to assess the food consumption patterns, food security status and coping strategies so as to support timely interventions to restore food security levels of the households.

Methodology

Primary and secondary data was collected to perform qualitative and quantitative analysis. A multi-stage random sampling technique was employed. The study locations were selected from urban, rural and estate sectors. The sampling unit was individual households. A total of 1,584 households were surveyed through a pre-tested structured questionnaire using the Kobo tool[1]. In addition, key informant interviews were conducted in selected districts with the participation of relevant government officers.

The research applied various indices such as Food consumption Score (FCS), Food Consumption Score Nutrition (FCS-N), Reduced Coping Strategy Index (RCSI), Livelihood Coping Strategy Index (LCSI) [2], and Consolidated Approach for Reporting Indicators of Food Security (CARI)[3] to understand the changes in the food security situation and underlying factors within urban, rural and estate sectors countrywide.

1. Kobo Collect is based on the open-source Android app for collecting survey data.
2. https://documents.wfp.org/stellent/groups/public/documents/manual_guide_proced/wfp271745.pdf
3. https://docs.wfp.org/api/documents/WFP-0000134704/

Findings

Shocks of the current crisis are felt across all facets of life where people are forced to rely on coping strategies to keep food on the table. The majority of the population (64 percent) experienced an income decrease of less than 50 percent compared to the same six-month period in 2021. Most of the daily wage employees (82 percent) and farmers (78 percent) suffered an income reduction. A significant increase in food and fuel prices and agricultural input scarcity coupled with the loss of employment (32 percent) intensified food insecurity in the country.

Major shocks faced due to the economic crisis

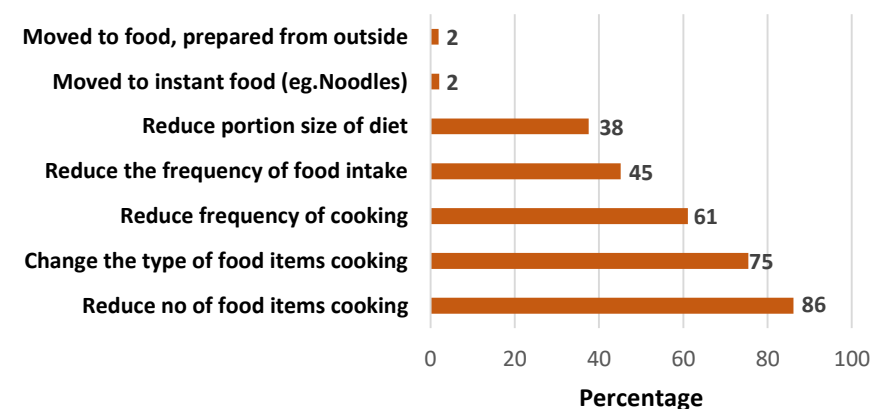|	
98%	**Affected due to increase in food prices**
57%	Affected due to high fuel/transport costs
41%	Affected due to electricity interruption

Hardships triggered by the economic crisis have left many people with no choice but to migrate overseas. At least one member in every ten households plan the overseas migration and around two percent of them were already migrated. Further, the economic crisis has led to a negative change in buying behavior of 91 percent of households. The majority (92 percent) had to reduce food quantities while 78 percent had to shift to cheaper food.

91%	**Negative change in buying behaviour**
32%	Restrict the quantities bought
78%	Shift to cheaper foods

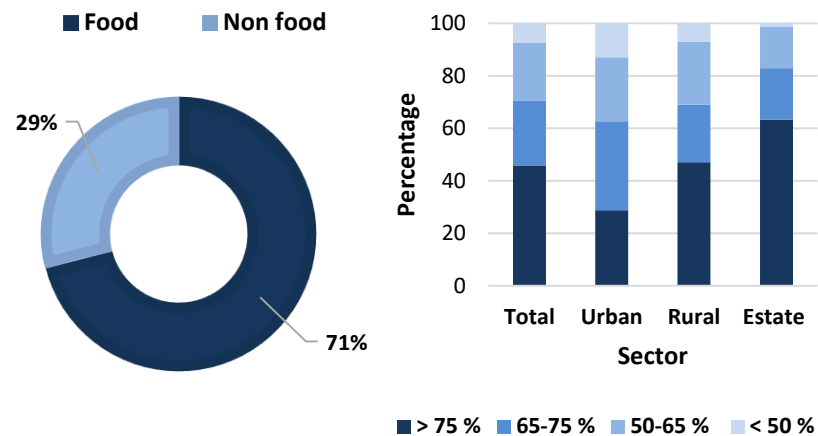## Reasons for negative change in buying behaviour

During the past six months, 74 percent of respondents reported that they lacked the money to buy food or meet essential needs. In addition, of the households that had sufficient financial resources to cover food and essential needs, 66 percent faced non-availability or shortage of food supply.

Change in food consumption patterns

Category	Percentage
Moved to food, prepared from outside	2
Moved to instant food (eg.Noodles)	2
Reduce portion size of diet	38
Reduce the frequency of food intake	45
Reduce frequency of cooking	61
Change the type of food items cooking	75
Reduce no of food items cooking	86

Percentage

Source: HARTI/WFP Food Security Survey, 2022

Household food expenditure share

■ Food   ■ Non food

29%

71%

■ > 75 %   ■ 65-75 %   ■ 50-65 %   ■ < 50 %

High food expenditure share was especially pronounced in the estate sector (63 percent) households in Kandy (71 percent), Nuwara Eliya (63 percent), and Badulla districts (63 percent). One in every two households in Ratnapura rural and estate, Ampara, Matara, and Hambantota districts spent more than three-quarters of their earnings on food.

Food security[4] status

During October 2022, 54 percent of the households experienced acute food insecurity. Among the food insecure households 46 percent of the households were estimated to be

moderately acute food insecure and 8 percent of the households were estimated to be severely acute food insecure. The highest level of acute food insecurity was found in the estate sector at 67 percent. More than half of the rural households (53%) and 43 percent of the urban households experienced acute food insecurity.

Food Security Status by Sector

■ Severely Acute Food Insecure   ■ Moderately Acute Food Insecure
■ Marginally Food Secure   ■ Food Secure
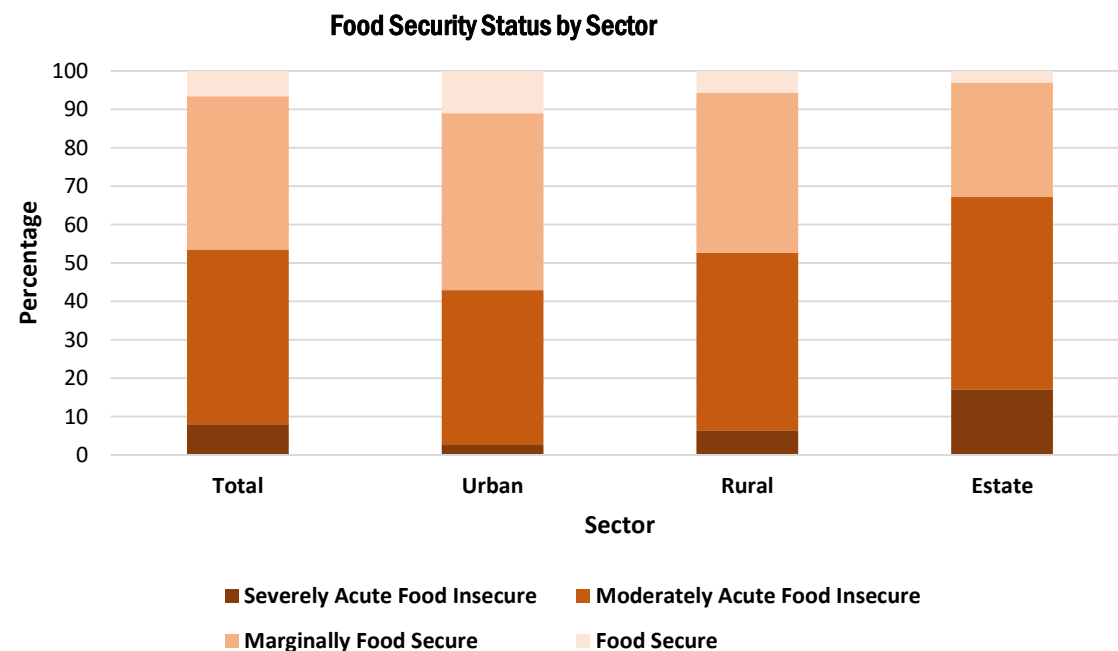
4. Food security exists when all people, always, have physical and economic access to sufficient safe and nutritious food, that meets their dietary needs and food preferences for an active and healthy life (FAO, 1996).

54% Households experienced acute food insecurity[5]

79%	Kandy Estate Households
75%	Rathnapura Estate Households
70%	Nuwara Eliya district Households
69%	Rathnapura Rural HHs & Matara district Households

Food Consumption

The FCS measures dietary diversity, food frequency, and relative nutritional importance of food groups based on a seven-day recall of food consumed at household level. Based on this score, a household's food consumption can be further classified into one of three categories: poor, borderline, or acceptable.

More than half of households (62 percent) had an acceptable level[6] of food consumption, meeting their diverse dietary needs. In the fourth quarter of 2021 (MRI, 2021), only three percent of the households had inadequate food consumption. In October 2022, 38 percent of households were not consuming a balanced diet.

Food Consumption Score by Sector, 2022
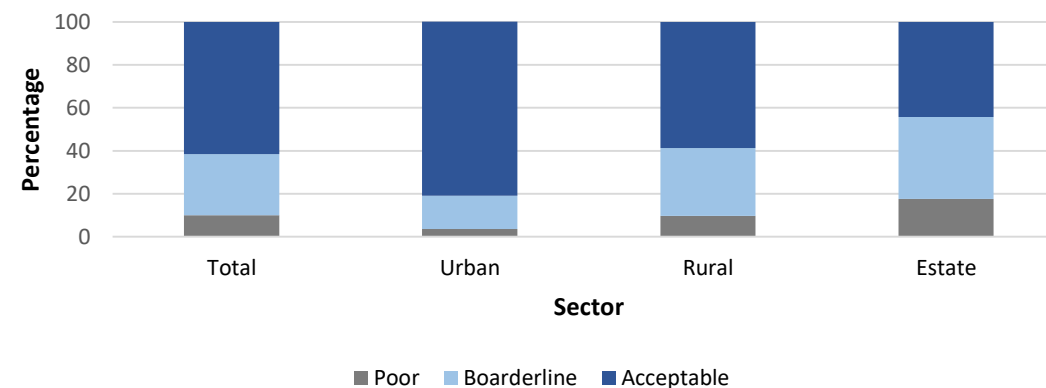
Female-headed households (37 percent), households receiving benefits from the *Samurdhi* programme (53 percent), households with pregnant/lactating mothers (39 percent), and households with disabled persons (39 percent) experienced inadequate food consumption. The food Consumption Score in all sectors was at an acceptable level. In the urban sector it was 81 percent whereas the rural and estate sectors reported a lower Food Consumption Score of 59 percent and 44 percent respectively.

5. Acute Food Insecurity = Moderately Acute Food Insecure + Severely Acute Food Insecure
6. Poor (0-28), borderline (28.5-42), or acceptable (> 42) levels were defined based on FCS Calculations

In October 2022, meals predominantly consisted of rice, vegetables and oil. Consumption of fish (0.8 days/week), dairy products (1.6 days/week), and eggs (1 day/week) have decreased substantially compared with late 2021[7].

Consumption of Different Food Groups
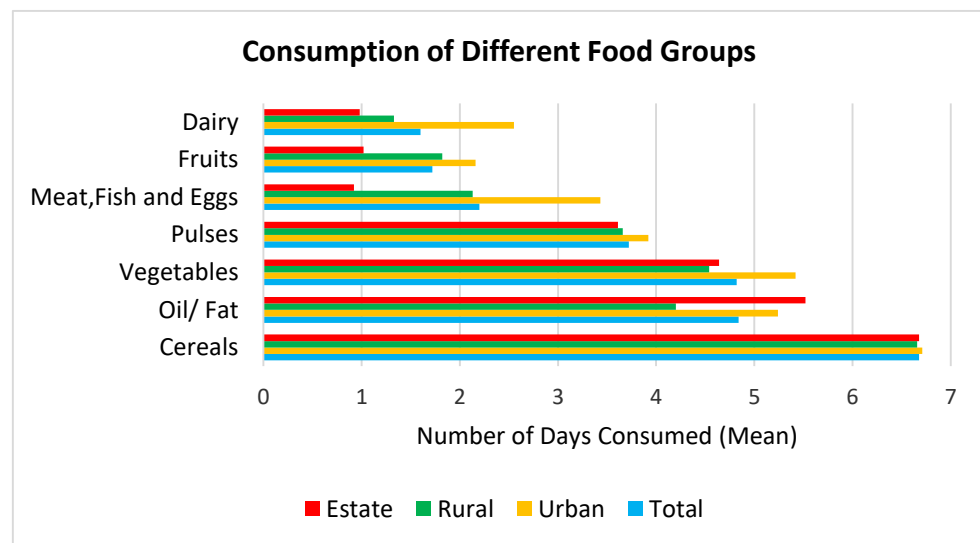
Food consumption score Nutrition (FCS-N)

FCS-N is a measure of a household's adequacy of key macro and micronutrients-rich food groups. During the survey period, 2 percent of urban households, 3 percent of rural households and 7 percent of estate sector households never consumed protein-rich foods[8]. More than half of the households (56 percent) and the majority in estate sector (78 percent) never consumed hem iron rich foods[9].

Protein Rich Foods

Vitamin A-Rich Foods

Heme Iron Rich Foods
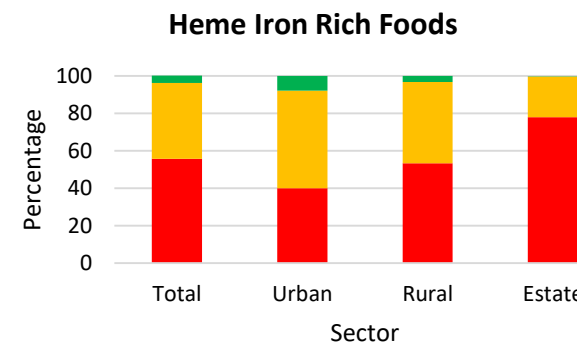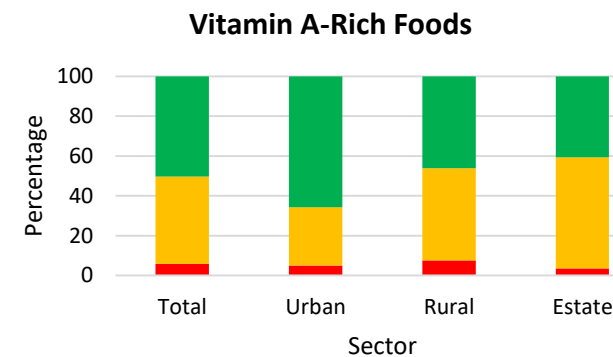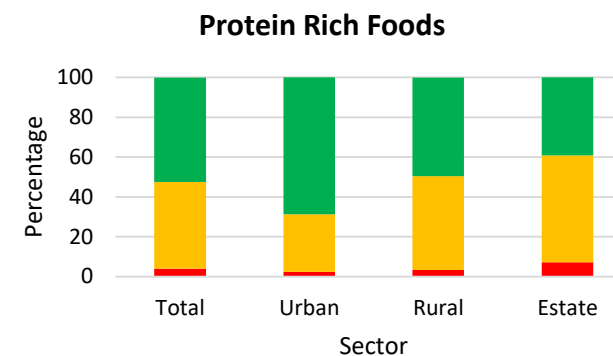
Legend:
- 0 days (never consumed)
- 1-6 days (consumed sometimes)
- 7 days (consumed at least daily)

7. http://www.mri.gov.lk/wp-content/uploads/2022/09/Diet-adequacy_Final-Report.pdf
8. Protein rich foods include pulses, dairy, meat, fish and eggs
9. Heme iron-rich foods includes flesh meat, organ meat and fish

Food-based coping mechanisms

63% are regularly relying on food –based coping strategies

61%	are relying on less preferred food
37%	are limiting portion size
25%	Are borrowing food from the neighbourhood

Livelihood-based coping mechanisms

67% are relying on livelihood-based coping strategies

41%	Had to reduce essential expenses on health and education
35%	Spent savings
31%	Purchasing on credit

Recommendations

- Government, humanitarian and development partners are strongly encouraged to provide coordinated support through cash grants or direct food assistance for moderately or severely acute food-insecure households through existing social safety networks. Support should be prioritized for the estate sector, *Samurdhi* beneficiary households, households with members having a disability and urban households that depend on the informal sector for income generation.

- Continuation of nutrition interventions and targeted supplementary feeding to ensure food and nutrition security among children, pregnant and lactating mothers.

- Strengthen access to free health services and increase the availability of medicines at affordable prices to cater to the growing demand for medicines and healthcare services.

- Ensure the continuous supply of agricultural inputs such as chemical fertilizers, agrochemicals, along with locally produced organic fertilizers, seeds, and other agricultural supplies at subsidized prices to all farmers to ensure food availability at affordable prices and restore the income generation capacity of the farming community.

- Support the recovery of the livestock and fisheries sectors through the provision of essential inputs such as high-nutrient animal feed, vaccines and veterinary health kits at a subsidized price.

- Safeguard food accessibility by relaxing import restrictions of essential food commodities and developing market channels.

- Develop a comprehensive recovery program for economically vulnerable populations, encompassing both short-term and long-term strategies. The program should focus on promoting supplementary income-generating activities and implementing targeted interventions to enhance accessibility to nutritious food.

- Establish a national level food security monitoring system that timeously updates key indicators and facilitates flexible response programming to track the food and nutritional security situation.

- Implement medium-term and long-term strategies to improve food production through research and development and to increase income generation opportunities among vulnerable groups and youth.

i. WFP (2022), Country Brief Sri Lanka, December 2022
https://docs.wfp.org/api/documents/WFP-0000145189/download/

ii. https://www.cbsl.gov.lk/en/news/ccpi-based-inflation-in-october-2022

iii. World Bank 2008 Addressing the food crisis: The need for rapid and coordinated action, Background Paper prepared for the Group Eight Meeting of Finance Ministers, 13-14 June, Osaka.
https://www.fao.org/3/cc1886en/cc1886en.pdf