

Sri Lanka: Lucky millers

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The Millers' Mafia has won another battle, a very decisive one at that. It has been able to coerce the mighty NPP government into increasing the maximum retail prices (MRPs) of all varieties of rice except keeri samba by Rs. 10. By opting for an upward price revision, the government has unwittingly justified the millers' unlawful practice of selling rice at prices above the MRPs previously. What it has chosen to do is like hurling a chunk of umbalakada ('Maldives fish') at a cat that is running away with a piece of fish, as a local saying goes. We hear champagne corks popping in rice mills, especially in Anuradhapura and Polonnaruwa.

President Anura Kumara Dissanayake, at a meeting with a group of rice millers in Colombo over the weekend, announced the government's decision to increase the MRPs for rice. He appeared to be reading the millers the riot act, but in the end the latter had the last laugh—as always.

It has been reported that the rice millers agreed to adhere to the revised MRPs and release adequate rice stocks to the market, but whether they will go on doing so or ask for further price increases, after a while, remains to be seen. President Dissanayake has indicated that noncompliance will be severely dealt with. One can only hope that he will match his words with deeds and ensure that the interests of consumers and farmers are safeguarded.

Taming the powerful rice millers, who have become a law unto themselves, is a stupendous task that not even war-winning President Mahinda Rajapaksa was equal to. He gave in to their pressure and allowed them to do as they pleased. Former frontline combat officer-turned President Gotabaya Rajapaksa, whom his political opponents made out to be an autocrat, also chose to touch his forelock to the Millers' Mafia.

Successive governments have capitulated to the millers, who have demonstrated their ability to make politicians eat out of their hands. Political leaders go ballistic on election platforms, vowing to take tough action against those who exploit the public, but their roars give way to mews after being ensconced in power. This is why politicians and their parties must be made to reveal whether they have benefited from the slush funds of the millers and other members of the *mudalali* fraternity given to exploitative practices.

The owner of 'Araliya Rice', Dudley Sirisena, who is one of the powerful millers blamed for manipulating the rice and paddy markets and profiteering, in an interview with Hiru TV, on 02 Dec., claimed that the current rice shortage had come about because rice was used for manufacturing beer. Claiming that the beer companies preferred *nadu* to other varieties of rice, he sought to deflect blame for the current rice shortage. Interestingly, he was among the millers who met President Dissanayake the other day, and agreed to make all varieties of rice, including *nadu*, available at the revised prices. If the rice shortage has been caused by the beer companies, as Sirisena has claimed, how come the millers have undertaken to release rice to the market? Are they going to turn beer into rice?

However, Sirisena's tall tale is not without an iota of truth; it is public knowledge that beer companies use rice as a raw material although they cannot be blamed for the current rice shortage, which is mostly due to hoarding by a cartel of unscrupulous millers. The government must take action to ensure that rice is eaten and not 'drunk' (in the form of beer).

Curiously, the government has reportedly decided to sell imported *nadu* rice at the previous MRP (Rs. 220 a kilo). Rice to be imported from India is believed to cost only about Rs. 110 a kilo, and the 100-rupee markup on a kilo of imported rice is nothing but unfair. It is unbecoming of the State Trading Corporation and Sathosa, tasked with importing rice, to make such unconscionable profits.

Worse, some large-scale millers responsible for market manipulations are among the rice importers; they are known to take imported rice all the way to their mills in North Central Province, and release it to the market after rebranding and repackaging it. They will now be able to sell a kilo of imported rice at Rs. 230 and earn a profit of Rs. 120 besides fleecing the public by keeping the prices of locally produced rice artificially high. They will get the best of both worlds!

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