

## **Food Security in Sri Lankan Consumer Cooperatives. An Explorative Review.**

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### **ABSTRACT**

*The economic crisis in Sri Lanka has intensified food insecurity with high food costs and income reductions affecting millions. Consumer cooperatives play a crucial role in ensuring equitable food distribution, but, face challenges such as supply chain inefficiencies, limited capital, and technology gaps. These cooperatives, rooted in community ownership and democratic governance, aim to improve food security by providing affordable, nutritious food, especially to underserved communities. This study explores the role of cooperatives in addressing food security amid Sri Lanka's crisis, emphasizing their potential to enhance resilience, stabilize prices and support local farmers. By focusing on accessible, locally sourced food, cooperatives can reduce dependency on imports and strengthen food availability and affordability, empowering communities to combat food insecurity collaboratively.*

**Keywords:** Consumer Cooperatives, Community, Food, Food Security, Market Competition.

## **1. INTRODUCTION**

Cooperatives play a significant role in numerous surfaces of human existence. They are primarily established by groups of individuals who share a common need or face a particular challenge. Second, members of the society freely contribute to its assets. Thirdly, the organization formed is governed democratically to achieve desired objectives on equitable norms, and fourth, it is an independent enterprise promoted, owned, and controlled by people to meet their needs (Department for International Development, 2008). Further Consumer cooperative societies play a major role in ensuring that food remains affordable and accessible for the wider population in Sri Lanka. Still, they face stiff competition from private retailers, supermarkets, and informal retail markets. Food security is a critical concern in Sri Lanka, particularly given the country's agricultural reliance and the growing challenges posed by economic fluctuations. While there are some positive indicators, such as modest decreases in both the overall inflation (year-on-year) and food inflation (year-on-year), the economic and humanitarian situation in Sri Lanka remains highly volatile.

According to World Food Programme latest Household Food Security Survey, 33 percent (33%) of households faced acute food insecurity in December 2022, with 68 percent (68%) of people resorting to food-based coping strategies such as limiting portions and reducing the number of daily meals. its detailed exploration of how food security and consumer co-ops intersect with market competition in Sri Lanka. Irrespective of many failures and shortcomings, co-operatives are important in

developing resilient social wealth in rural communities, which is viewed as a favorable platform for food security, and sustainable development needed to generate income. The United Nations (UN) estimated in 1994 that the livelihood of three billion people approximately half of the world's population was secured through cooperative enterprises (South Africa Pretoria, 2008).

The major role of consumer cooperatives is to provide **Affordable Food Access** to Consumers. Co-operatives in Sri Lanka have historically been responsible for providing basic food items at affordable prices. They focus on serving rural and underserved communities, where private retailers may not be as present. Many consumer cooperatives support local farmers by buying their produce directly and selling it at reasonable prices. This promotes local food production and reduces dependency on imports. Co-operatives have a strong network, especially in rural areas, where they play a vital role in distributing essential food items, including rice, vegetables, dairy, and pulses. This ensures a more equitable distribution of food across the country.

Household food security and the nutrition situation in Sri Lanka is set to deteriorate as the economic crisis ensues, according to World Food Programme. Nationally, 6.3 million people were found to be food insecure (28.3 percent). of these, at least 65,600 people are severely food insecure. Skyrocketing food costs are making it harder for the population to meet their food needs. About 6.7 million people are not consuming adequate diets and 5.3 million people are reducing the number of meals eaten. Incomes in the last three months have plummeted.

About two in five households reported that their income has been cut in half. To cope with the lack of food, 5 million people are using crisis or emergency livelihood coping strategies that are likely to impact their medium to long-term capacity for income-generating activities and food security (Regional Humanitarian Snapshot, 2022). Over the past decade, private supermarkets and retail chains, such as Cargills Food City and Keels Super, have expanded significantly in Sri Lanka. They offer a wider range of products, including processed foods, international brands, and ready-to-eat meals, increasing consumer demand for their services. Private retailers often use economies of scale to offer lower prices or discounts on bulk purchases, particularly on imported goods. This can attract price-sensitive consumers, especially in urban areas, increasing competition for co-operatives. The rising of incomes and lifestyle changes, especially in urban areas, consumer preferences have shifted towards more variety and convenience in food shopping. Supermarkets offer a more modern shopping experience, which competes with the traditional setups of consumer co-operatives. Consumer cooperatives often lack the capital and infrastructure to compete with supermarkets. This affects their ability to offer a wide range of products, modern shopping experiences, and aggressive price reductions.

Unlike private retailers investing heavily in marketing, branding and customer loyalty programs, consumer co-operatives rely on their social mission and community involvement for customer retention. This places them at a disadvantage in the competitive retail market. Many co-operatives, particularly in rural areas, struggle with inefficiencies in

Supply chain management, leading to inconsistent availability of products, higher costs, and logistical delays. Thus, Co-operatives often lag in adopting new technologies such as online shopping platforms, mobile apps, and home delivery services, which are increasingly popular among younger consumers. Many researchers in food and food policy, have carried out in-depth research on the subject.

## **Objectives of the study**

### **Main Objective**

Explore the concept of Food Security in Consumer Co-operatives as a documentary Retrieval.

### **Sub Objective**

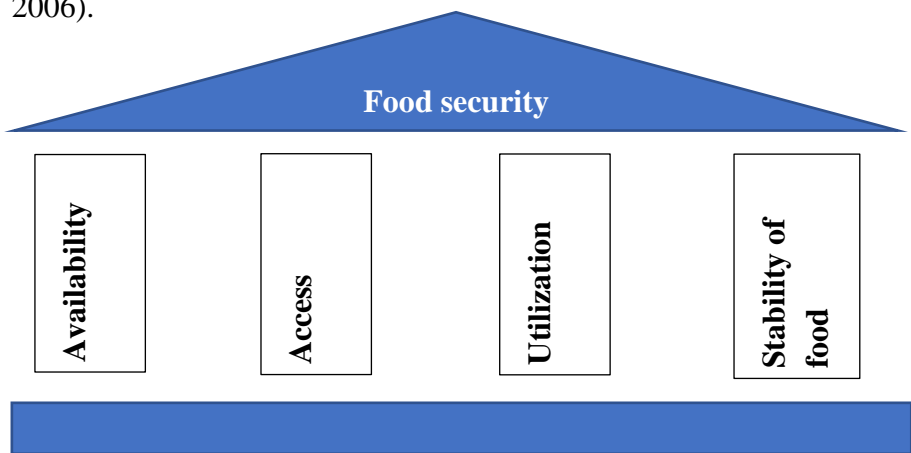
- Explain the concept of Food Security in Consumer Co-operatives with key definition.
- Explicate the need for Food Security in Consumer Co-operatives to overcome the economic crisis in Sri Lanka.
- Provide recommendation in Sri Lankan cooperative sector for establishing Food Security.

Food security is achieved when all people at all times have physical and economic access to sufficient, safe, and nutritious food preferences for an active and healthy life. Food security on the other hand means avoiding hunger.

# 02. LITERATURE REVIEW

## Food security in consumer cooperative

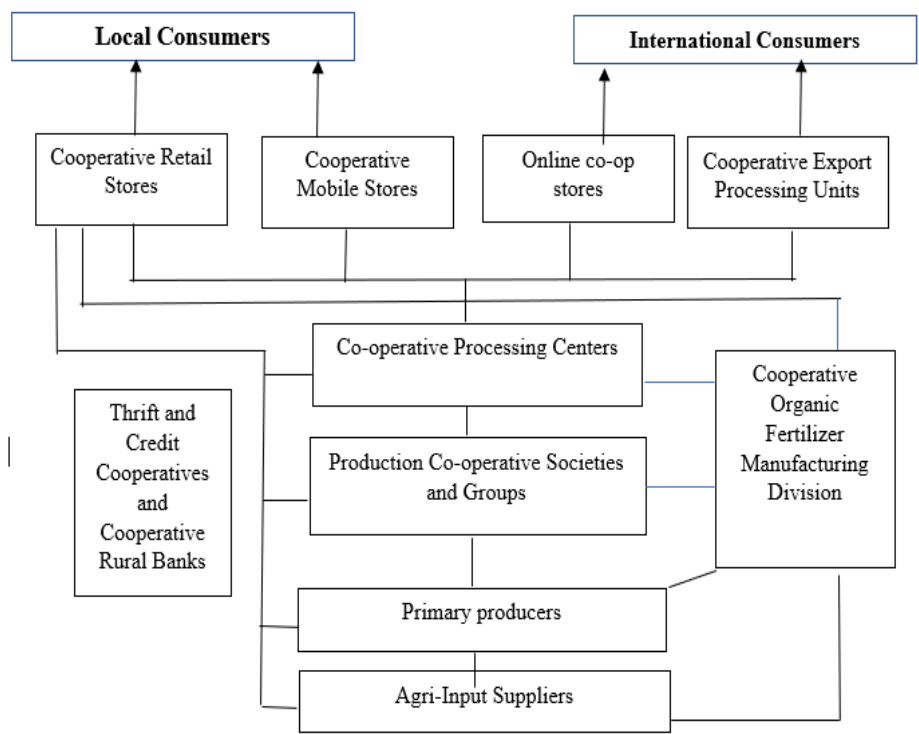
Food security, defined by the FAO (Food and Agriculture Organization), encompasses the availability, access, utilization, and stability of food, and remains a critical issue in developing nations like Sri Lanka (Summi, 2006).



*Source: (Food and Agriculture Organization, 1996)*

Consumer cooperatives play a pivotal role in ensuring food security by providing affordable, locally sourced food to underserved communities, particularly in rural areas (Perera, 2017). These organizations act as intermediaries between small-scale farmers and consumers, enhancing local food availability and price stability (Senaratne, 2019). However, increasing competition from private retailers who often prioritize profitability over social objectives, poses significant challenges to the sustainability of co-operatives' food security efforts (Jayawardena, 2021).

The role of consumer Co-operatives in ensuring food security under market competition in Sri Lanka is critical, especially in rural and marginalized areas. Co-operatives serve as community-based entities focused on providing affordable, locally sourced food, promoting both availability and accessibility (Perera, 2017). They often compete directly with private retailers, which are profit-driven and may prioritize urban markets (Fernando, 2020). Government support, subsidies, and local farmer partnerships strengthen the co-operatives' ability to maintain food stability during crises (Senaratne, 2019). However, market competition pressures threaten their sustainability and impact long-term food security goals (Jayawardena, 2021).



Source: (Cooperative Sustainable Food, Security Network, 2024)

## **Food Security Theory**

It is imperative to integrate theories that address market competition, community based models and food security dynamics to establish a strong theoretical framework for investigating food security and consumer co operatives at market competition in sri lanka.

Food Security Theory encompasses the dimensions of availability, access, utilization and stability of food. This theory can guide the analysis of how consumer cooperatives contribute to food security by ensuring that local communities have access to affordable and nutritious food, even in times of economic or environmental crisis. Food security theory also considers socioeconomic conditions that influence access to and availability of food. Economic crises, poverty, and inequality are major factors that impact food security, as they limit the ability of individuals to afford nutritious food. Additionally, social inequality affects food distribution, often leading to inequitable access in marginalized communities.

Food security is often linked with broader social and political stability. When food insecurity becomes widespread, it can lead to social unrest, migration, and political instability, especially in developing countries. This aspect of food security theory examines how disruptions in food systems can trigger conflict and how, conversely, stable food supplies can contribute to social cohesion and peace.



## **Consumer cooperatives**

Globally, consumer cooperatives have established themselves as key players in promoting fair pricing, local sourcing, and community-oriented distribution. Birchall (2004) highlights that consumer cooperatives emerged as mechanisms for community empowerment, enabling members to access essential goods affordably. In countries like Japan, the United Kingdom and Finland consumer cooperatives have achieved substantial market shares in food distribution which demonstrates their capability to deliver affordable products while supporting local economies and small-scale producers (Basterretxea & Martínez, 2012): (Birchall, & Ketilson, 2009). further argue that cooperatives are resilient during economic crises as they prioritize community welfare over profit, making them essential for stabilizing economies in times of volatility.

n Sri Lanka, consumer cooperatives have a long history, dating back to the colonial period with a primary focus on addressing food scarcity and promoting fair pricing. Initially, these cooperatives were state-supported mechanisms aimed at controlling food distribution and prices, but they gradually evolved to function independently. Sri Lankan consumer cooperatives operate within a unique social and economic context where food security, local farmer support and affordability are central to their mission. (Wijetunge, 2020) noted that cooperatives contribute significantly to food security through local sourcing and price stabilization, reducing dependence on imports and providing a buffer against inflationary pressures. This localized approach has proven effective in ensuring that vulnerable populations, particularly those in rural areas, can access essential food supplies at stable prices.

Moreover, by purchasing directly from local farmers, cooperatives improve rural livelihoods and reduce the supply chain disruptions that often impact food availability during economic downturns. The literature suggested that consumer cooperatives significantly enhance food security by stabilizing prices, ensuring equitable access to food, and supporting local food systems. In Sri Lanka, cooperatives are particularly effective in buffering against food crises by maintaining consistent food availability and affordability, a role that has become increasingly critical in the face of economic instability (Wijetunge, 2020).

Globally, consumer cooperatives contribute to economic resilience by providing reliable food supplies during crises, as shown by their responses to the 2008 financial crisis and the COVID-19 pandemic (Michie, 2017).

In their role as a distribution network, cooperatives maintain optimal stock levels to prevent shortages and build reserves for emergencies. They employ efficient distribution plans, secure storage, and proper transportation to protect goods across retail outlets, thereby ensuring food availability at reasonable prices in times of crisis or scarcity. This multifaceted approach has become integral to Sri Lanka's cooperative-driven initiatives, like the "Co-op City Project," which provides affordable food access across the island. Cooperatives' historical and ongoing resilience in times of crisis has proven invaluable to Sri Lanka's food security and community welfare efforts.

Table 1: Roles and Functions

<b>Roles and Functions of Different Sectors in Cooperatives for the Sustainable Food Security Program</b>	
<b>As a co-op city</b>	<b>As a purchaser</b>
<ul style="list-style-type: none"> <li>• Improve competitiveness.</li> <li>• Continuously identify society's needs and wants.</li> <li>• Maintaining enough storage to facilitate.</li> <li>• Enhancing better customer services.</li> <li>• Improve customer care in co-op cities.</li> <li>• Identify fast-moving goods and keep enough storage.</li> <li>• Promoting the cooperative facilities.</li> <li>• Except for the consumer requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Directly purchased products by primary cooperative producers.</li> <li>• Directly purchased from producers' cooperatives.</li> <li>• Cooperatives among cooperatives (products Exchange among cooperatives).</li> <li>• Prioritize the requirements of the members of the cooperative supply chain.</li> <li>• Protect the infant industry by increasing sales of local products and reducing imports.</li> <li>• Decide competitive pricing methods for the primary producers' cooperatives and group of producers.</li> </ul>
<b>Maintaining Stores</b>	<b>As a Distribution Network</b>
<ul style="list-style-type: none"> <li>• Maintaining optimal stock to avoid shortage of goods in retail stores.</li> <li>• Keeping extra stocks for anticipated calamities.</li> <li>• Providing adequate security for goods in warehouses.</li> <li>• Establishing a system for first release of goods brought in first.</li> </ul>	<ul style="list-style-type: none"> <li>• Get required goods and services to all outlets on time</li> <li>• Implement an efficient and cost-effective distribution plan</li> <li>• Providing suitable protection for goods during transportation</li> </ul>

*Source: (Sustainable Food Security Program, 2024)*

### **03. METHODOLOGY**

The main aim of this study is to explore the concept of food security in consumer co-operatives as a documentary retrieval that bridges the gap between food security in consumer co-operatives. The nature of the study was more oriented to an explorative nature. The researcher intended this study as a qualitative study based on the interpretivism research philosophy. To achieve the objectives of the study, it examines documents and research articles sourced from multiple databases, such as Web of Science, Science Direct, and Google Scholar. The process of data screening and summarization for interpretation was conducted through content analysis. The data patterns and themes were summarized by the predetermined objectives through the use of thematic analysis. To ensure the quality and dependability of the data, the researchers precisely stated their goals for the study, carefully chose and evaluated journal articles, cross-checked their data, and condensed their material without sacrificing core concepts. Word clouds were generated using NVivo software. A summary table along with several graphics was subsequently employed to present the results.

## 04. DATA ANALYSIS

### Objective 01: Explain the concept of Food Security in Consumer Co-operatives with a key definition.

Table 02: The concept of food security in consumer co-operatives with a key definition.

Definition	Author(s) & Year
“Consistent presence of sufficient food quantities for the population.”	(Perera, 2017)
“The ability of individuals to obtain adequate food, either through purchase or aid.”	(Senaratne, 2019) ; (Fernando, 2020)
“Proper utilization of food through adequate diet and nutrition knowledge.”	(Jayawardena, 2021)
“Food availability and access remain consistent over time without fluctuations due to crises.”	(Perera, 2017) ; (Jayawardena, 2021)
“Ensuring food is priced in a way accessible to all income groups.”	(Fernando, 2020) ; (Senaratne, 2019)
“Utilizing locally produced food to support regional agriculture and reduce dependency on imports.”	(Perera, 2017) ; (Silva, 2020)
“Ensuring all segments of the population have equal access to food.”	(Perera, 2017) ; (Jayawardena, 2021)
“Practices that ensure food systems remain resilient over time.”	(Senaratne, 2019) ; (Silva, 2020)
“Engaging local communities in food security efforts.”	(Fernando, 2020) ; (Jayawardena, 2021)
“The ability of a food system to withstand shocks and recover from crises.”	(Senaratne, 2019) ; (Silva, 2020)

(Source: Authors constructed, 2024)

**Objective 02.: Explicate the need for Food Security in Consumer Co-operatives to overcome the economic crisis in Sri Lanka.**

Table 03: Key Findings from Various Authors on Food Security in Consumer Co-operatives to overcome the economic crisis in Sri Lanka.

Author(s)	Year	Title	Key Findings
Perera, R.	2017	“Community-Based Co-operatives in Sri Lanka”	Co-operatives in rural Sri Lanka play a crucial role in ensuring local food availability and accessibility, particularly during economic hardships when private markets fail.
Senaratne, A.	2019	“Food Security and Rural Co-operatives”	Consumer cooperatives maintain stable food prices and supplies by forming partnerships with local farmers, contributing to food security during economic downturns.
Fernando, P.	2020	“Market Dynamics and Co-operative Sustainability”	Co-operatives help mitigate the negative impacts of market competition, especially during economic crises, by prioritizing affordability and accessibility in food distribution.
Silva, M.	2020	“Sustainable Agriculture and Co-operatives”	Co-operatives encourage sustainable agricultural practices, which enhance resilience in food security during economic crises, minimizing dependence on expensive imports.
Jayawardena, K.	2021	“Challenges Facing Consumer Co-operatives in	Co-operatives' non-profit orientation helps them provide food security by offering affordable pricing

		Competitive Markets”	in contrast to private retailers, especially crucial during economic crises.
Wijesinghe, L.	2022	“Co-operatives as a Solution to Food Insecurity”	Consumer cooperatives are essential in preventing food insecurity in Sri Lanka by providing locally sourced, affordable food in times of economic and political instability.
Dissanayake, S.	2022	“Impact of the Economic Crisis on Food Supply Chains”	The economic crisis has disrupted supply chains, but consumer co-operatives have maintained food security through local sourcing and community-based networks.
Ranasinghe, M.	2022	“Food Security and Economic Stability in Co-operatives”	Co-operatives serve as a buffer during crises by stabilizing food prices and ensuring continuous food availability, even during currency depreciation and inflation.
Gunasekara, V.	2023	“Role of Co-operatives in Post-Crisis Recovery”	Consumer co-operatives contribute to economic recovery by sustaining food supply chains and reducing reliance on volatile global markets.
Abeywickrama, D.	2023	“Co-operatives as Food Security Mechanisms”	Co-operatives mitigate the food security challenges brought about by Sri Lanka’s economic crisis by engaging in local partnerships and reducing the cost of food distribution.

(Source: Authors constructed, 2024)

The above table 2, Provides a snapshot of significant contributions to the understanding of the concept of key findings from various authors on food security in consumer cooperatives showcasing how various authors have approached the topic from different angles.

Table 04: Key theme relating to the concept of Food Security in Consumer cooperatives.

Key Code	Final Theme of the Text
<ol style="list-style-type: none"> <li>1. Food Availability</li> <li>2. Food Access</li> <li>3. Food Utilization</li> <li>4. Food Stability</li> <li>5. Affordability</li> <li>6. Local Sourcing</li> <li>7. Equity in Food Access</li> <li>8. Sustainability</li> <li>9. Community Engagement in Food Security</li> <li>10. Resilience in Food Systems</li> </ol>	<p><b>Food Security in Consumer co-operatives</b></p> <p>In Sri Lanka, consumer cooperatives address the social, economic, and environmental aspects of food security to offer a comprehensive solution. They are in a unique position to overcome the nation's food security issues because of their capacity to maintain food supply and price stability, encourage nutritional utilization, and involve local communities especially in the face of economic volatility. By emphasizing sustainability, resilience, and fairness, consumer cooperatives play a vital role in ensuring that Sri Lanka has access to food in the future.</p>

*(Source: Authors constructed based on NVivo, 2024)*



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9. Social Safety 10. Food Provision 11. Adaptive Crisis Management Strategies 12. Support for Local Economies 13. Resilience-Building in Food Systems 14. Cross-Sector Collaboration 15. Direct Consumer Engagement	disruptions in global supplies, cooperatives serve as social safety nets that guarantee fair access to food for all facets of society. Their focus on non-profits, cooperation with stakeholders, and long-term planning help create resilient food systems that can survive economic shocks.
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*(Source: Authors constructed based on Nvivo, 2024)*

## 05. CONCLUSION

Consumer cooperatives in Sri Lanka uniquely positioned to address food security challenges, incorporating social, economic and environmental dimensions. They support local communities by ensuring consistent access to affordable, nutritious food through local sourcing and engaging in community driven initiatives. These cooperatives stabilize food supplies and maintain price stability by balancing market demands and providing affordable food options. The contribution of cooperatives goes beyond simple food distribution. Through sustainable practices and emphasis on resilience, consumer cooperatives help protect against disruptions in food systems, ensuring both availability and stability during economic challenges. By promoting local food sourcing, these cooperatives reduce dependency on external markets and enhance community-based food networks. This localized approach improves food accessibility and utilization by aligning food options with community nutritional needs.

The cooperatives' commitment to equity in food access and the promotion of sustainable methods highlights their role in creating resilient food systems that prioritize both social justice and environmental stewardship. In fostering a fair and inclusive food supply, consumer cooperatives empower communities to address food security challenges collaboratively. This analysis provides an understanding of the broader implications of food security through the lens of food security theory with a specific focus on availability, access, stability, affordability and equity. Sri Lanka's economic crisis has highlighted the need for robust food security measures, especially through consumer cooperatives which have the structural and operational strengths to ensure consistent food availability, affordability and access amid economic challenges. By adopting community focused approaches and enhancing local support systems, consumer cooperatives can significantly mitigate food insecurity in Sri Lanka.

## **06. RECOMMENDATIONS**

- Consumer cooperatives can employ community-driven food distribution to bridging the gaps in current Sri Lankan Market.
- Empower local farmers through cooperative movement and support local economy. cooperatives reduce reliance on imported goods and foster a sustainable, community based food supply. This reduction protecting the community from international market fluctuations that often lead to food price instability during economic crises.
- In unpredictable economic climates, Cooperatives can develop crisis resilient supply chains and implement adaptive crisis management strategies.

- Cooperatives can put collaborative efforts with the government to enhance the food security in the country.
- Long-term food security planning ensures that cooperatives remain prepared for future crises, not only by stabilizing current food supplies but by establishing strategic reserves and infrastructure for sustainable growth. This approach sustains food security efforts, providing a continuous, reliable source of food for communities.

Consumer Cooperatives in Sri Lanka are helpful in addressing the multifaceted challenges of food security during economic crises. By emphasizing local sourcing, adaptive supply chains, equitable distribution and collaborative advocacy. Further, they strengthen food security and economic resilience. Moreover, cooperatives empower communities to navigate economic poverty, ensuring that access to affordable food remains a priority for all Sri Lankans.

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