

Market Monitor Report

MAF | GDS | WFP RAM | Food Security Analysis

Timor-Leste | Week 37/38 2021 (13th–26th September)

Highlights

- An uptick in the nominal price of local rice observed in the last two weeks of September following steady declines in the preceding months. Based on seasonal patterns, nominal prices of local rice are expected to strengthen but the relatively higher production this year may limit the gains.
- Imported rice prices remained on a downward trajectory in the month of September, now nearly same level as the two-year average.

Retail price trend of cereals

A marginal increase in the local price of rice was observed in the last two weeks of September 2021. At US\$ 1.19 per kilogram, the current national average price is 2 percent higher than the previous fortnight and another 2 percent higher than the same time last month. In terms of historic perspective, the national average is 15 percent lower than the 2-year average and a further 21 percent lower than same time last year. Across the monitored markets, prices ranged from US\$ 0.63 to US\$ 1.51 per kilogram with relatively higher prices in the Capital Dili.

During the period under review, imported rice was sold at a national average of 0.55 US\$ per kilogram, almost the same as the previous fortnight.

The current price is trending towards the 2-year average and 2020 price levels. The nominal prices ranged from 0.52 US\$ to 0.58 US\$ per kilogram, with relatively lower prices observed in Dili, the port of entry, and higher prices in Lautem (Map 2).

Fig. 1: Price trend of local rice (US\$/kg)

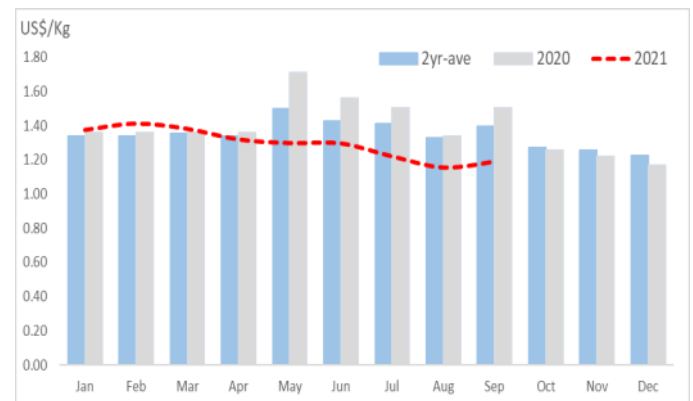
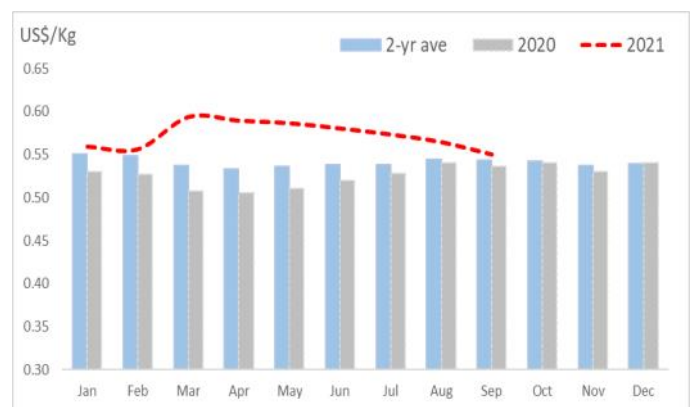


Fig. 2: Price trend of imported rice (US\$/kg)



The downward trajectory in imported rice price is also reflecting of the trend on the international market. Using the FAO All Rice Index as a measure, the index (2014-2016) reached an all high in February 2021, averaging 116.0 points, since then, sharp monthly drops have been observed with the August 2021 value at 97.9 points. This may signify ample supplies on the global market.

Policy-wise, the Government through National Directorate for Commercial Regulation continues to do market price inspection, under Ministry of Tourism, Commerce and Industry, for rice as part of the control on basic need's price in accordance with Decree Law (No. 29/2011) on fixing maximum trade margins.

Overall, the prices of maize grain and wheat flour continues to remain relatively stable since the start of the second quarter of 2021, averaging around US\$ 0.93/kg and US\$ 0.96/kg, respectively.

Retail price trend of non-cereals

During the period under-review, the price of non-cereals had mixed observations. Compared to the previous fortnight, decreases were observed for sweet potatoes and taro, increases for beans and chili, while chicken and cooking oil remained relatively stable (Table 1).



Open market-Oecusse



Open Market-Ainaro



Open Market-Oecusse



Open market-Aileu

Map. 1. Average price of local rice (US\$/kg)



Map. 2: Average price of imported rice (US\$/kg)



Table. 1: Price trend for non-cereals (US\$/kg)

	Current Price US\$/kg	% Change from previous period		
		2 W	1 M	1 Y
	Sep (wk 37&38)			
Sweet Potato	0.80	↓ -8	↓ -11	↓ -54
Potato	1.33	↓ -5	↓ -7	↑ 7
Taro	0.74	↓ -15	↓ -6	↓ -33
Beans	2.30	↑ 9	↓ -8	↑ 10
Egg	0.18	↑ 3	↓ -2	↑ 6
Chicken	2.89	↓ -1	↓ -0.3	↓ -6
Tomato	1.24	↓ -5	↓ -13	↓ -7
Onion	2.25	↓ -3	↓ -11	↑ -0.4
Cooking Oil	1.32	↑ 1	↑ 2	↑ 22
Chili	3.48	↑ 9	↓ -4	↑ 10
Sugar	0.98	↑ 2	↑ 1	↑ 3
Salt	0.59	↓ -3	↑ 4	↓ -9

Methodology : To monitor the impact of COVID-19 on market prices, WFP in collaboration with Ministry of Agriculture and Fisheries, and the General Directorate of Statistics collect food price data on a weekly basis across the country's main markets from 12 municipalities (Ainaro, Aileu, Bobonaro, Baucau, Dili, Ermera, Lautem, Liquica, Manatuto, Viqueque, Covalima and Oecusse). On average, around 6 traders per market are surveyed, targeted food commodities weighed, and its price averaged per kilogram. Imported rice price are based on the most consumed brand per retailers. The historical nominal rice prices are taken from the CPI database under the General Directorate of Statistics (GDS) within Ministry of Finance.