

Food Security Bulletin

TIMOR-LESTE

Edition no. 22: April - June 2021

Highlights

- Total rice availability estimated at 100,721 metric tonnes of which 58% is from local production, 32 % is imported rice being held by private sector, and 10 % is imported rice being held in National Logistics Centre (NLC) warehouses. The minimum national requirement is estimated at around 140,000 metric tonnes.
- The Ministry of Agriculture and Fisheries estimates maize production at 85,626 metric tonnes, which is enough for domestic consumption. The current production is almost the same as the previous year.
- The Vegetation Health Index (VHI) which provides the severity of drought based on the vegetation health and influence of temperature on plant conditions was around 0.85 (old green), signifying relatively high levels of precipitation in the second quarter. A condition conducive for agricultural activities.
- In response to the COVID-19 pandemic and natural disasters, Government through NLC is purchasing rice for strategic grain reserves to lessen the impact and ensure food security.

Background and Context

As the country was trying to curb the spread of COVID-19 pandemic, heavy rains across Timor-Leste from 29th to 4th April 2021 resulted in flash floods and landslides across all 13 municipalities, with the capital Dili, Manatuto, and surrounding low-lying areas the worst affected. 28,734 household families

A total of 28,737 households have been affected by the floods across all 13 municipalities.

Extensive damage has been reported to houses, buildings, public infrastructure, agricultural land, and livestock loss.

The Government of Timor-Leste through the Secretariat of State for Civil Protection together with other ministries and humanitarian partners is leading the humanitarian response. Such interventions include food and non-food distributions by National Logistics Centre (NLC) and Ministry of Social Solidarity and Inclusion. NLC also provided 1000 metric tonnes to each municipality as part of market intervention (subsidised) program.

Based on the agricultural seasonal calendar, the second quarter is mainly for rice and maize harvesting. Hence, decreasing trends in nominal prices have been observed as households have been consuming from own produced crops. Looking ahead, the third and fourth quarter of 2021 will signal decreased food availability at household level from own production and more households will now depend on the market for staple food purchases.

Methodology

This Food Security Bulletin (FSB) is based on data emanating from institutions under the KONSSANTIL (Inter-Minister Council for Food Security, Food Sovereignty and Nutrition). The FSB is a product of the Ministry of Agriculture and Fisheries (MAF) as the lead and secretariate of KONSSANTIL with technical support from WFP as part of the National Information and Early Warning System (NIEWS).

Food Availability

Maize production

Maize production, a key staple, is estimated at 85,626 metric tonnes, almost the same as the previous year (Table 1). The national requirement is pegged at 75,000 metric tonnes.

There is significant potential for more increased production as the cultivated area was around 36,503 hectares out of potential area of 215,747 hectares.

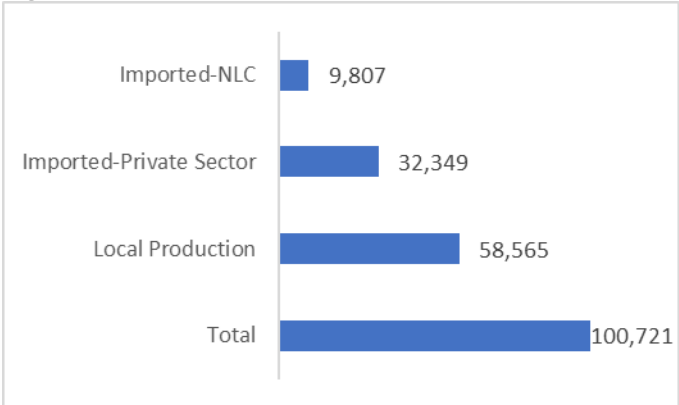
Table 1. Maize production (mt) and cultivated areas (ha)

Municipality	Cultivated area (mt)	Production (mt)
Aíleu	1,501	6,628
Aívaro	2,042	5,967
Baucau	6,149	16,010
Bobonaro	4,747	8,739
Covalima	4,198	9,514
Díli	672	556
Ermera	2,096	5,577
Lautem	2,813	5,371
Liquiça	1,676	6,349
Manatuto	912	2,469
Manufahi	1,413	5,134
RAEOA	6,596	10,696
Viqueque	1,688	4,689

Rice Availability

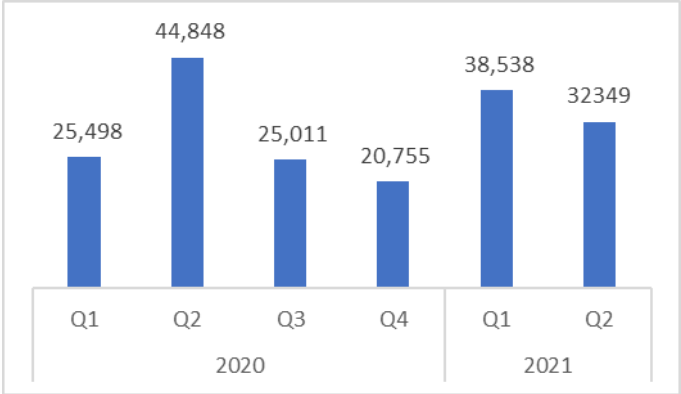
Rice remains the key staple for most of the population. As of the end of second quarter of 2021, total estimated rice stock levels were 100,721 metric tonnes of which 58 percent was from domestic production, 32 percent was in the hands of the private sector and 10 percent in warehouses of National Logistics Centre (Fig. 1). The annual national rice requirement is estimated at a minimum of around 140,000 metric tonnes.

Fig1. Estimated rice stock levels (mt)



In terms of trends, the volume of rice imports in the second quarter of 2021 decreased by 16 percent compared to the first quarter of 2022. However, the overall volumes imported in the first half of 2021 is almost the same as the corresponding period in 2020 (Fig. 2).

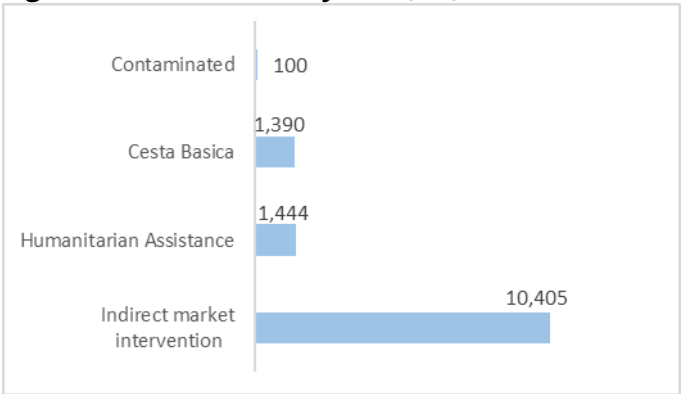
Fig 2. Rice imports (metric tonnes)



Rice distributions by National Logistics Centre and Ministry of Social Solidarity and Inclusion

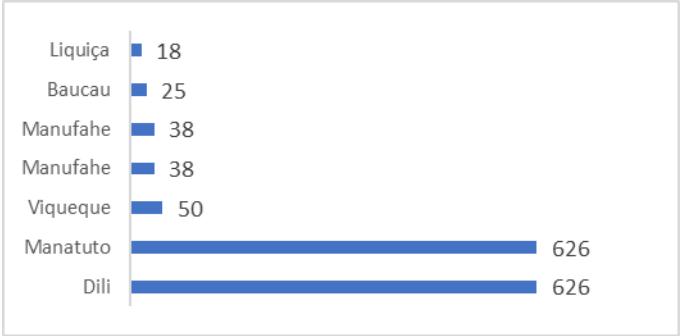
National Logistics Centre, a Government arm responsible for grain reserves, had 23,340 metric tonnes of rice as opening stocks at the start of second quarter. Of which 45 percent was used for market intervention by selling imported rice to retailers at subsidised wholesale prices. Humanitarian assistance and Cesta Basika accounted for 1,444mt and 1,390mt, respectively (Fig 3). Due to the devastating floods that occurred in early April, about 22.4 mt of rice was damaged and an additional 77mt was spoilt within the warehouses.

Fig 3. Rice distribution by NLC (mt)



At Municipal level, the Ministry of Social Solidarity and Inclusion (MSSI) distributed a total of 1,419 metric tonnes of rice (that it received from NLC) directly to the municipalities to support the most vulnerable population (fig xxx). Around 88 percent of the total being equally shared between Manatuto and Dili municipalities as these were the worst affected by the floods, at the same time, the imposition of sanitary fences to prevent the spread of COVID-19 negatively impacted on the livelihoods of the majority population in these two areas.

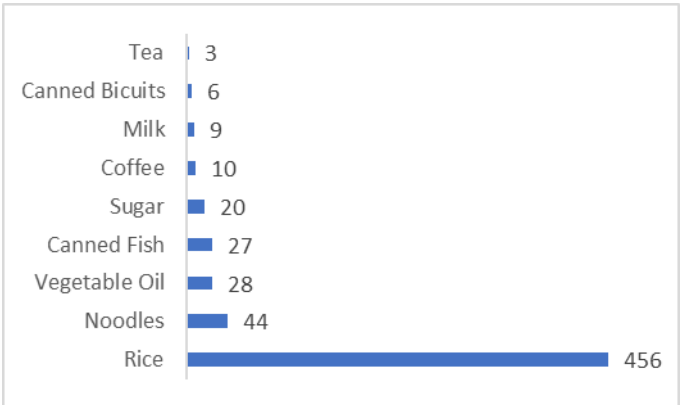
Fig 4. MSSI rice distribution by Municipality (mt)



Food distribution by Civil Protection

As the lead in humanitarian response, the Secretariat of State for Civil protection provided various food supplies to flood affected population as depicted in figure 5. The support, in-kind and financial, came from Government as well as humanitarian actors, including the United Nations and Non-governmental Organisations. Rice comprised the biggest component of the ration where a total of 456 metric tonnes were distributed, followed by noodles, vegetable oil and canned fish.

Fig 5. Food distribution by Civil Protection (mt)



Other food imports

Apart from rice, the second most imported food commodity was wheat at 4,065 metric tonnes, followed by chicken and vegetable oil. Compared to the previous quarter, marginal decreases in imported volumes were observed for all except fish and wheat (Table 2).

Table 2. Other food imports item (mt)

	2021		2020	
	Q2	Q1	Q4	Q3
Wheat	4,065	↑ 0.2	↓ -12	↓ -22
Chicken	3,237	↓ -0.3	↓ -31	↓ -18
Vegetable Oil	2,234	↓ -0.3	↓ -27	↓ -42
Fish	1,320	↑ 1.6	↑ 31	↑ 31
Eggs	547	↓ -0.2	↓ -9	↑ 33
Pork	83	↓ -0.6	↑ 63	↑ 21
Beef	6	↓ -0.5	↑ 620	↑ 45

Agriculture exports

Candlenut was the most exported agriculture commodity during the reference period, at 1,163 metric tonnes which is nearly five times more than the previous quarter. Dry coconut (447 mt) and Konjac (311 mt) were the other two most traded commodities. Seasonally, coffee exports-Timor-Leste main merchandise export- are generally very low in the first and second quarters of the year. Only 138 metric tonnes of coffee were exported during the reference period.

Table 3. Agriculture exports (mt)

	2021		2020	
	Q2	Q1	Q4	Q3
Candlenut	1,163	252	73	436
Dry Coconut	447	199	107	390
Konjac	311	102		
Arabica Coffee	138	318	45	1,526
Robusta Coffee	0.02	8	29	127

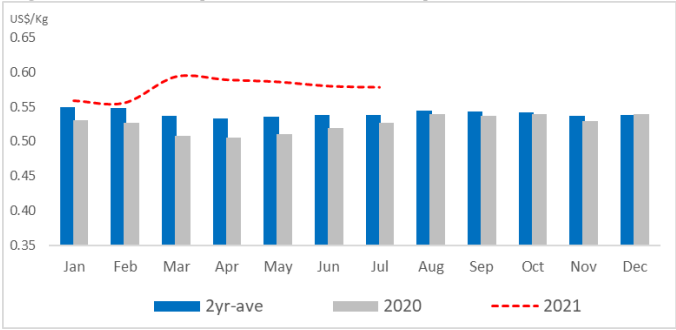
Food Access

Nominal Price of Rice

As a measure of food access, rice price analysis for both imported and locally produced has been used.

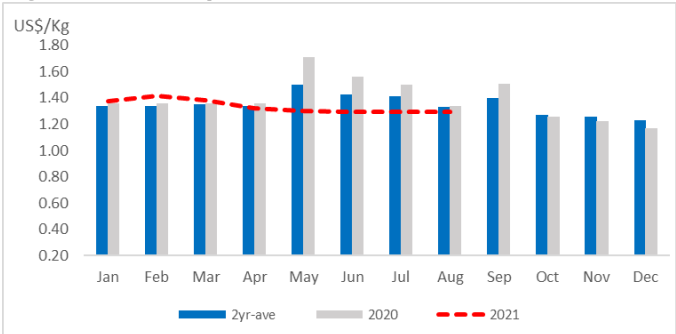
Overall, imported rice continue to trend above the two-year average and above last year's levels. However, it's on a downward trajectory where at the end of the second quarter, the nominal price was observed at US\$ 0.58 per kilogram which is 2 percent lower than at the end of the first quarter. This is reflective of the price on the international market, where the FAO ALL Rice Index (2014-2016) reached 108.3 points in June 2021 compared to 113.9 points at the end of first quarter in March 2021.

Fig.6. Nominal price trend of imported rice



Similarly, the second quarter of 2021 have seen continuous price decline for the local rice, and it is trending below last year's level. This is mainly due to the increase supplies through the coming in of fresh harvests, more importantly as production is estimated at above average-nearly 17 percent more than the previous season. At the end of the second quarter, the price was observed at US\$ 1.29 per kilogram which is 6 percent lower than at end of the first quarter in March 2021. The downward trend is expected to continue in the short run as households continue to consume from own production.

Fig. 7. Nominal price trend of local rice



Policy-wise, Government, through National Logistics Centre intervened in the market by selling imported rice to retailers at subsidised price of US\$ 12.5 per 25kg bag.

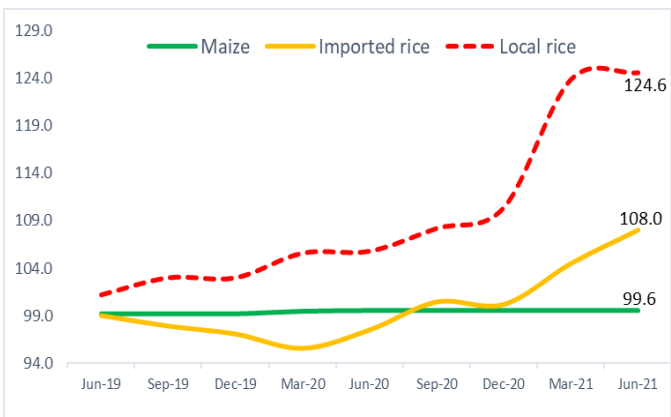
And the National Directorate for Commercial Regulation continues to do market price inspection as part of the control on basic need's price in accordance with Decree Law on fixing maximum trade margins.

Maize and Rice Consumer Price Indices

The local price index for local rice (2018=100) averaged 124.6 points in the second quarter of 2021, up 0.7 percentage points from previous quarter, the highest value in the current series. Similarly, an increase was observed for imported rice at 4 percentage points compared to the previous period, and maize price index continues to remain non-responsive, remaining at 99.6 points for the fifth time in a row.

The improvement on the supply side in form of new rice supplies from fresh harvests helped to ease the pressure on the prices in the second quarter, as this marked the start of the harvest season.

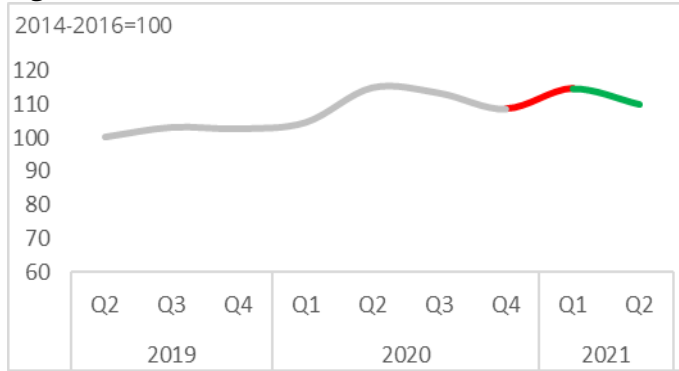
Fig.8. Maize and rice price indices



International Rice Prices

Using the FAO All Rice Index as a measure of international rice prices, 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 June value at 108.3 points which is 6.1 percent below its levels in June 2020. This may signify ample supplies on the global market.

Fig 7. FAO ALL Rice Index



Source: <http://www.fao.org/economic/est/publications/rice-publications/the-fao-rice-price-update/en/>

Food Utilization

Nutrition status of the general under-five population

The 2020 Food and Nutrition Survey (FNS) provides the latest state of nutrition status of the general under-five population. It found that 47.1 percent of the children were stunted, which is in 'very high' category according to WHO standards. Underweight was calculated at 32.4 percent and wasting at 8.6 percent (a medium level category). However, with the double challenges of COVID-19 and Cyclone Seroja, efforts are being made to continuously monitor the situation in order not to reverse the gains made in the last five years.

Based on the Health Management Information System (HMIS), the number of under-five children that accessed the health facility (including *Sisca* activities) increased to 58 percent in the second quarter of 2021 from 39 percent in the second quarter of 2020.

Climate and Earth Observation

Rainfall Distribution

In the second quarter of 2021, the country experienced significant rainfall amounts, especially in the months of April and May before trailing off in June. This supported the proper growth of rice and maize at vegetative stage in April and May.

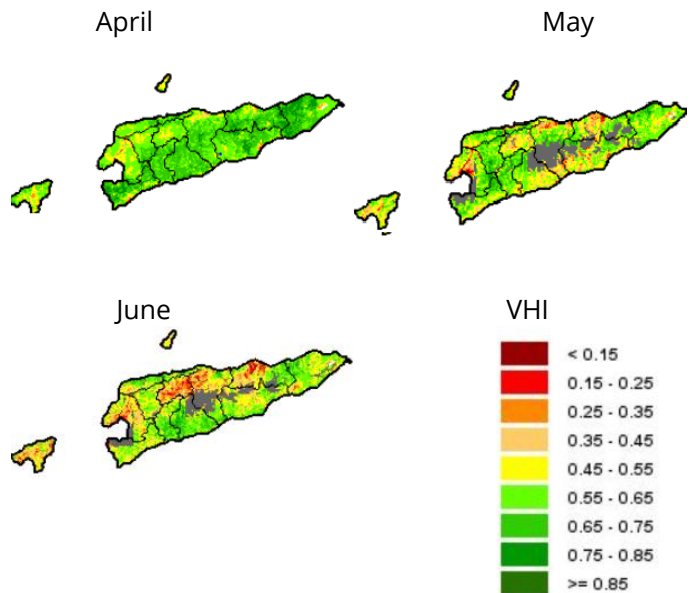
At municipal level, most areas received more than 50mm of rainfall in April except for Aileu, Liquiça and Ermera. The month of April saw more than 50mm of rainfall being observed in

southern of the country while less than 50mm were observed in Aileu, Liquiça, Ermera, Covalima, and Oecusse.

Vegetation Health Index

The Vegetation Health Index (VHI) provides the severity of drought based on the vegetation health and influence of temperature on plant conditions. A decrease in the VHI would indicate relatively poor vegetation conditions and warmer temperatures, signifying stressed vegetation conditions.

Figure 11. Vegetation Health Index



In April the VHI was old green (0.65 to 0.85) with some yellow to red in the parts of Covalima and Bobonaro. Progressively moved to yellow to red by the end of the June as rains trailed off.

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