



Market Monitor Report

MAF | GDS | WFP RAM | Food Security Analysis

Highlights:

- Market prices in Timor-Leste for cereals and non-cereal items have remained steady or slightly decreased since September. This observation is consistent with the FAO food price index (FFPI) of 135.9 captured in October, a figure virtually unchanged from September.
- October cooking oil prices continued the decreasing trend, marking a 38.4 percent decrease since June.

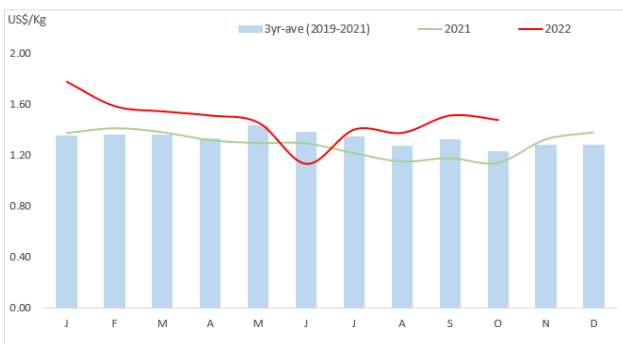
- Local rice prices traded at US\$ 1.48/kg, a figure 2.33 percent less than the previous month. Throughout Q2 and Q3 of this year, imported rice consistently traded at US\$ 0.58/kg - a figure 2.5 times less than that of local rice.
- Throughout 2022, Ainaro, Lautem, and Viqueque have shown the biggest variation (US \$1.30) in the price of local rice; whereas Aileu, Manatuto, and Oecusse have shown the smallest (US\$ 0.10).

Global price overview: cereals & non-cereals

According to the latest Food Price Monitoring and Analysis bulletin (FPMA) by the FAO, international prices of all major cereals increased in October.¹ The Grains and Oilseeds Index (GOI) published by the International Grains Council (IGC) observed a month-on-month increase of 1.0 percent this October, with a stabilization 0.2 percent change in the average global price of rice compared to that of the previous month. This is possibly due to the uncertainties surrounding an extension of the Black Sea grain export deal,* which is aimed at easing global food shortages during the ongoing Russian – Ukrainian conflict. Lower production estimates, and the soaring cost of fertilizers for major grain producing nations such as the US, Australia, and recently Argentina – a country already battling with severe drought since June – all contribute to an uneasy climate surrounding the global prices of basic food items.²

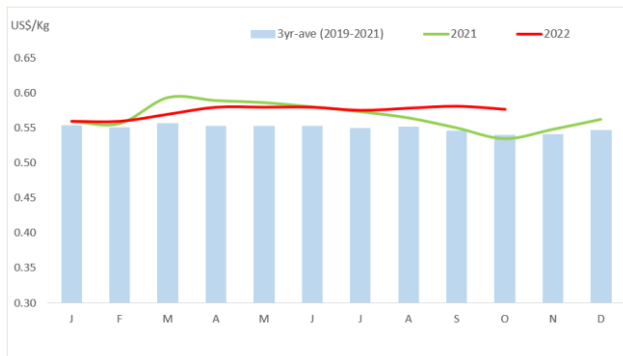
Price trend of cereals

Fig. 1: Local rice 3-year trend (US\$/kg)



Contrary to the increasing price trend of cereals worldwide, the average price of local rice in October has slightly decreased by 2.33 percent from the previous month, trading at US\$ 1.48/kg. Apart from the noticeable decrease in June when local rice was sold at an all-time low of US\$ 1.13/kg, prices have maintained a declining trend throughout much of this year. The current price for local rice, however, is still significantly higher when compared against the three-year average of US\$ 1.23/kg. This indicates an increase of 20.4 percent in October, from the three-year average.

Fig. 2: Imported rice 3-year trend (US\$/kg)

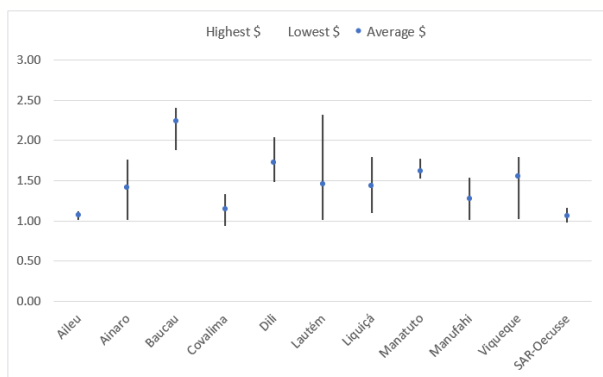


Although more subdued in its fluctuations across the past three years compared to that of local rice, imported rice continues to trade at a much lower price of US\$ 0.58/kg. The October price data for imported rice virtually reports no change since September, but an increase of 7.98 percent is noted

* The Black Sea grain export deal is set to end on November 19th, with a possibility of an extension brokered by the United Nations. The purpose of this deal is to avoid global food shortages during a time when two of the largest grain-exporters are in a conflict.

when compared with US\$ 0.53/kg recorded last October. Considering the fluctuating price trend of imported rice reported during the peak of the Covid-19 pandemic in 2021 (see green line, Fig. 2), the 2022 price trend is less volatile. This observation is also in line with the analysis from our Q3 market monitor report,³ where a stabilization of the monthly consumer price index (CPI) is visible post-Covid; expressed by the price trend of imported rice in this case. This points to a slow recovery from the worst of the pandemic, even if the average prices remain higher than those reported in the previous years.

Fig.3: 2022 Price variation of local rice by municipality (US\$/kg)



*Bobonaro and Ermera removed due to inconsistent data

On the other hand, this year's price trend of local rice (Fig.1) is far more volatile; leaving room for a granular analysis on the municipal level. According to Fig.3, there has been a relatively significant price variation between the highest and lowest average prices for Ainaro, Lautem, and Viqueque, as opposed to Aileu, Manatuto, and Oecusse, which reported the smallest variation throughout 2022. Despite the overall relaxed change of +0.1 percent in CPI since September,⁴ Fig.3 also reveals the municipalities most impacted by market inflation, potentially highlighting where the worst impacts of COVID-19 were felt across the nation in 2022.

Price trend of non-cereals

In Table 1, the current dollar price of non-cereal items in October visibly indicates a decrease in the market prices from the previous month, as well as from August figures. Although prices of several staples are still high when compared against the

*CPI is the rate at which prices of goods rise or fall usually over the course of one year. This allows for a comparison of the current price of goods against the previous year, to see whether there has been an inflation in the market price.

Methodology: In order to monitor the impact of COVID-19, global conflicts, and climate change on the market price of Timor-Leste, WFP in collaboration with Ministry of Agriculture and Fisheries (MAF) and the General Directorate of Statistics (GDS) collects food price data on a weekly basis across the country's main markets from thirteen municipalities. On average, around six traders per market are surveyed, targeted food commodities weighed, and their prices averaged per kilo.

Table 1: Percentage change of non-cereals (US\$/kg)

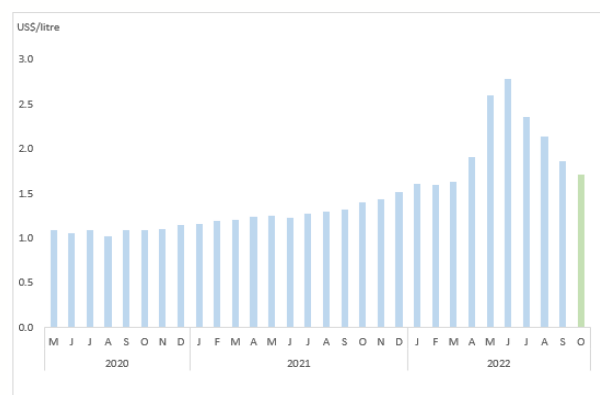
		Oct-22	1M	3M	1Y	% change
Wheat	\$	1.0	0	6	7	
Sweet Potato	\$	0.8	-7	-9	-6	
Potato	\$	1.3	-5	-9	0	
Taro	\$	0.8	-14	-5	-8	
Beans	\$	2.1	-10	-20	-15	
Egg*	\$	0.2	4	20	36	
Chicken	\$	3.4	-2	-7	15	
Tomato	\$	1.5	-9	-14	10	
Onion	\$	2.4	-1	-14	-1	
Cooking Oil**	\$	1.7	-8	-20	23	
Chili	\$	4.0	-8	2	13	
Sugar	\$	1.1	7	10	11	
Salt	\$	0.6	0	-1	-10	

* US\$/Unit
** US\$/Litre

year-earlier values, almost all items in October report lower prices when compared against September figures.

Price trend of cooking oil

Fig.4: Price trend of cooking oil (US\$/litre)



Since June, cooking oil prices have sharply decreased; reversing the upward trend observed starting mid-2020. While prices remain 22.63 percent higher compared to last October, there was a 7.71 percent decrease in cooking oil prices since this September - continuing the decreasing trend observed throughout the later half of this year. FAO projects that the price of cooking oil will continue decreasing; at least until there has been a moderate recovery in consumption.⁵

1. FAO *Food Price Monitoring and Analysis (FPMA) Bulletin* – Nov. 2022 [link](#)
2. Reuters *"Argentina set to permit wheat export delays amid drought"* – Nov. 2022 [link](#)
3. WFP *Timor-Leste Market Monitor Report – Q3 2022* – Oct. 2022 [link](#)
4. GDS *Monthly CPI Timeseries* – Sept. 2022 [link](#)
5. FAO *Food Outlook – Biannual Report on Global Food Markets* – Jun. 2022 [link](#)



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