



World Food Programme

SAVING LIVES
CHANGING LIVES

Photo: UN/Martine Perret

FOOD SECURITY ALERT

SPECIAL BULLETIN

TIMOR-LESTE, AUGUST 2023

HIGHLIGHTS



An **EL NIÑO**

event has already begun which will trigger a longer than average dry spell and continue into early 2024.



262,000

people are currently acutely food insecure. El Niño is likely to broaden and deepen acute hunger for 100,000 people.



INTERNATIONAL RICE PRICES

reached record highs in 2023 and reduced domestic and regional agriculture production will continue to push food prices out of reach for poor and hungry families.



70%

of Timorese people rely on food and income derived from agriculture. Drought conditions will likely result in both reduced domestic food supply and household incomes.

Timor-Leste imports

60%



of food to cover national consumption needs making it highly import dependent. From January to July 2023 alone 90 percent of rice was imported from India.

The minimum cost of a nutritious diet has surged to



USD \$300/MONTH

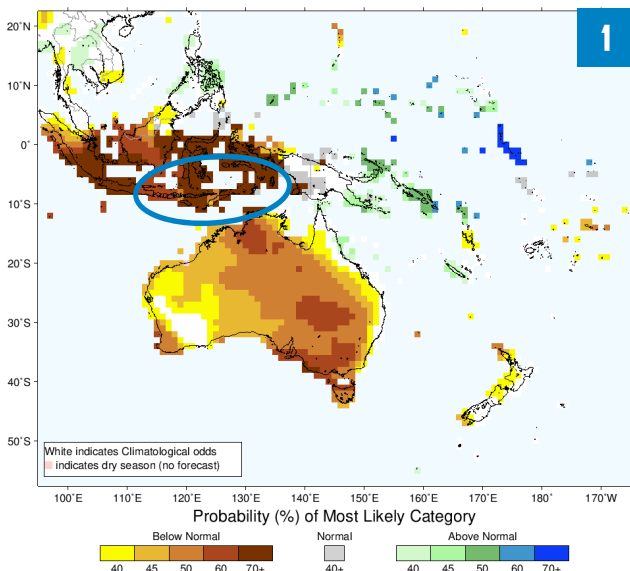
A single-income household already uses 45 percent of the family budget to cover rice consumption needs

EL NIÑO AND SURGING RICE PRICES PUT AN ADDITIONAL 100,000 PEOPLE AT RISK OF ACUTE HUNGER

Between May–September 2023, the 2022 Acute Integrated Food Security Phase Classification (IPC) Analysis projects 262,000 people (20 percent of the Timorese population) are facing acute food insecurity (IPC 3 and above)¹. An El Niño weather event has already begun and is expected to result in a below-average agricultural season for the 2023 campaign. The potential impact of El Niño will contribute Timor-Leste's lean period and is anticipated to widen and deepen acute hunger for 100,000 people².

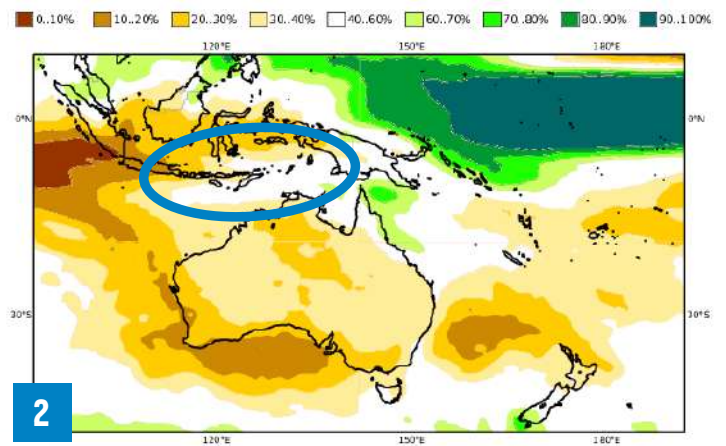
WHAT IS EL NIÑO?

El Niño is the warm phase of the Pacific Ocean's temperature cycle, which can lead to either excessive rainfall or very little. In Timor-Leste, El Niño is expected to have a drying impact. Meteorological forecasts anticipate a high probability of below-average rainfall during the July to October 2023 period in Timor-Leste (see maps, where darker colours indicate a higher probability of below-average rains, as opposed to blue and green colours). The International Research Institute for Climate and Society (IRI) forecasts El Niño will reach peak strength (moderate-to-strong intensity) during November 2023 to January 2024 and remain active until February to April 2024³. This impact window is highly concerning as it corresponds with the main maize and rice planting period and the early growing season in the country.



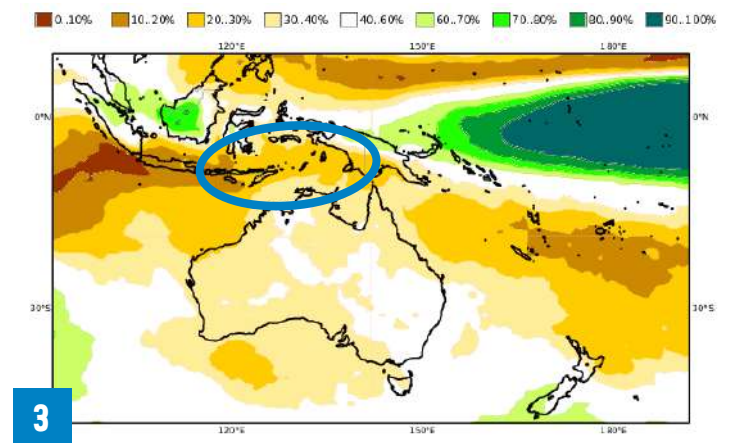
IRI Multi-Model Probability Forecast for Precipitation
(August - October 2023, issued July 2023)

Source: International Research Institute for Climate and Society (IRI)



CS3 Multi-system Seasonal Forecast
Probability of above-median precipitation
(August-October 2023, issued July 2023)

Source: The Copernicus Climate Change Service



CS3 Multi-system Seasonal Forecast
Probability of above-median precipitation
(November 2023 - January 2024, issued August 2023)

Source: The Copernicus Climate Change Service

¹The Integrated Food Security Phase Classification (IPC) is a multi-partner initiative for improving food security and nutrition analysis and decision-making. By using the IPC classification and analytical approach, Governments, UN Agencies, NGOs, civil society and other relevant actors, work together to determine the severity and magnitude of acute and chronic food insecurity, and acute malnutrition situations in a country, according to internationally-recognised scientific standards (<https://www.ipc-info.org/>)

²WFP Early Warning watchlist (<https://api.godocs.wfp.org/api/documents/WFP-0000150016/download/>)

³International Research Institute for Climate and Society (IRI) (<https://iri.columbia.edu/our-expertise/climate/forecasts/en-so/current/>)

Historically, previous El Niño events triggered delayed rains and below-average seasonal rainfall, negatively affecting the growing season for rice and maize crops in Timor-Leste. Dry spells and drought conditions across the country would result in lower yields and crop losses, affecting agriculture production and livestock. In 2015–2016, 350,000 people were estimated to be affected by the prolonged drought, mainly located in central highlands, eastern and southwestern parts of the country⁴. The drought led to water and food shortages, causing crop failure and the death of 70,000 livestock⁵. About 70 percent of the country's population relies on agriculture, which is the country's largest sector of employment comprising some 40 percent of the labour force⁶.

El Niño arrives on the back of compounding shocks, as vulnerable families faced flooding in 2023, and continue to experience the effects of the 2021 and 2022 floods, the lingering impacts of the COVID-19 pandemic, and the global food price crisis triggered by the Russo-Ukraine conflict. Amid these pre-existing vulnerabilities and high rates of food insecurity, even a moderate El Niño event is likely to have an outsized impact on affected communities, already unable to recover from successive shocks.

AN EL NIÑO LEAN SEASON INTERSECTING WITH SURGING RICE PRICES

Timor-Leste is highly food import dependent with an estimated 60 percent of food consumption needs covered by imports. The impact of El Niño on Timor-Leste is beholden to both domestic and external factors that will affect affordability of food in the country. Not only will agriculture production reduce domestically, but also in exporting countries. This is likely to result in low food supply and high food prices. As a major staple in the country, this is particularly concerning for rice, which is also the main source for caloric intake for the vast majority of the population.

Low harvests are expected in 2023 for Asia, due to unfavourable weather conditions and extreme climatic events. As the main rice-producing region in the world, rice prices are anticipated to surge further than current levels, disproportionately impacting the poorest segments of the population. In July 2023, the FAO All Rice Price Index reached 129.7 points, rising by 19.7 percent year on year, and reaching its highest nominal value since September 2011 (figure 1)⁷.



Photo: WFP Timor-Leste

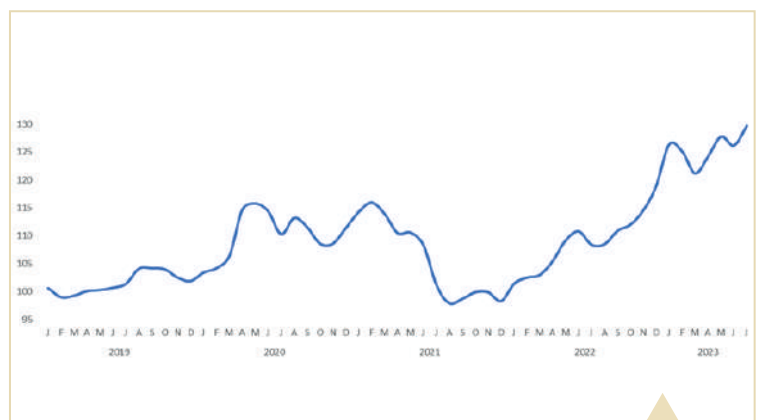


Fig.1: FAO all rice price index, January 2019 – July 2023 (2014–2016 av.=100).

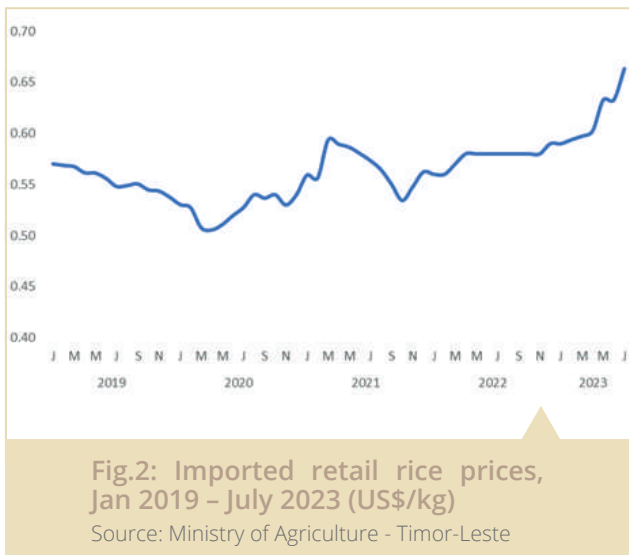
Source: FAO Markets and Trade

⁴FAO, 2016 (<http://www.fao.org/3/a-i6049e.pdf>)

⁵CARE et al. (<https://reliefweb.int/report/timor-leste/unreported-drought-el-nino-s-impact-timor-leste>); Climate Centre (<https://www.climatecentre.org/1605/the-hidden-toll-of-el-nino-in-timor-leste/>)

⁶Timor-Leste Labour Force Survey 2021 (https://www.ilo.org/jakarta/whatwedo/publications/WCMS_863064/lang--en/index.htm)

⁷<https://www.fao.org/markets-and-trade/commodities/rice/fao-rice-price-update/en/>



International rice prices reached record highs in 2023. Following the surge in prices of other major grains (mainly wheat and maize) since the onset of the 2022 conflict in Ukraine, rice became an attractive alternative, driving up demand. In addition, production shortfalls in several main producing and exporting countries are resulting in limited global availabilities. Reduced supplies, coupled with the increased demand, exerted upward pressure on international rice prices in 2023, which was felt acutely by Timor-Leste already contending with high food prices.

In Timor-Leste, the cost of food has increased considerably in recent years. This is shown by the results of the 2023 update of the Cost of the Diet, which calculates how much a household must spend to consume the lowest-cost nutrient-adequate basket. In 2019, the monthly cost for a household to consume a nutrient diet amounted on average to about USD 170. The 2023 update of the analysis finds that the cost has now increased to over USD 300 per month, which is more than double the minimum wage.

The rice import dependency directly influences domestic prices. The average retail price for imported rice has been rising since late 2022, peaking at US\$ 0.66/kg in July 2023 or increasing 16 percent year on year (figure 2)⁸ and is now anticipated to continue rising. The dependence of the Timorese population on imported rice and associated price fluctuations has a significant impact on already stretched family budgets. Based on WFP Timor-Leste market monitoring, a single-income household (perceiving the minimum wage) already uses 45 percent of the family budget to cover rice consumption needs only⁹.

Higher rice prices will place additional strain on poor and vulnerable families, leaving little room for other food items and household essentials, deepening food insecurity and poverty.

The Government of India’s announcement on banning export of non-basmati white rice is a concerning evolution¹⁰. Over the last decade, India has supplied between 22 to 40 percent of the world’s traded rice¹¹. This announcement poses food security risks for Timor-Leste as it has slowly increased its dependence on Indian rice imports. In the first seven months of 2023 alone, 90 percent of rice imports to Timor-Leste were sourced from India (figures 3 and 4).

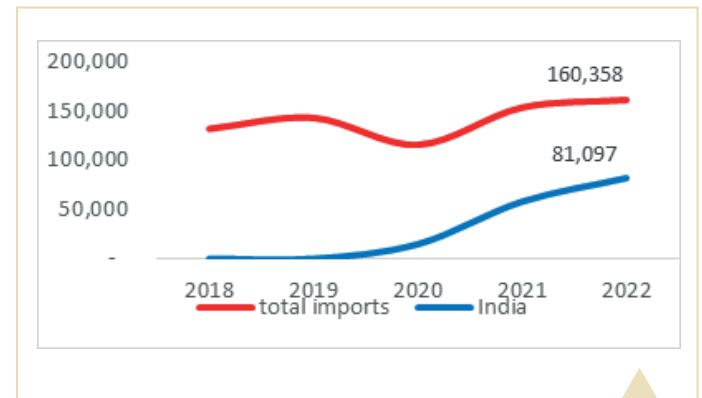
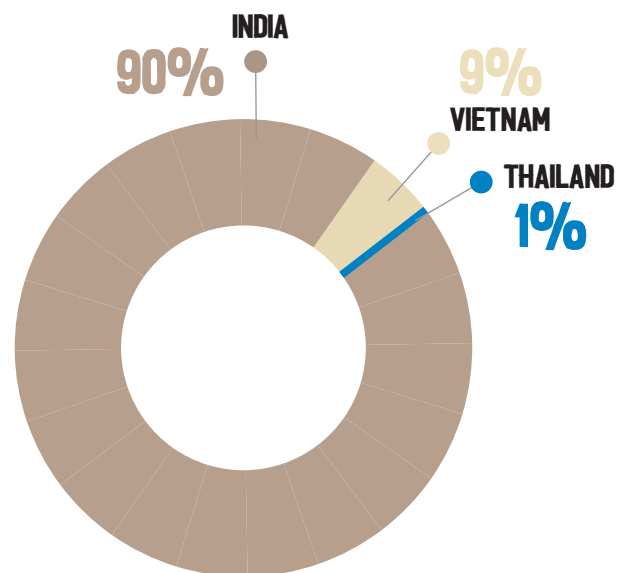


Fig.4: Timor-Leste rice imports by country of origin, January-July 2023 (tonnes).



As an El Niño weather event is set to converge with the surge of food prices and a longer than average dry spell, it is essential to closely monitor El Niño’s evolution in the coming months, and to take early action to mitigate a further deterioration of food insecurity trends in Timor-Leste.

⁸Data collected by MALFF staff in collaboration with WFP TL CO, and analyzed by WFP TL CO

⁹Based on the assumption that the average daily per capita consumption of rice amounts to 290 g (MALFF). This corresponds to about US\$ 1.7 spent each day by the household only to cover the household’s daily rice needs, based on local and imported retail rice prices, collected by MALFF staff in collaboration with WFP, in the second quarter of 2023.

¹⁰India Ministry of Consumer Affairs, Food & Public Distribution (<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1941139>)

¹¹FAO Markets and Trade (<https://www.fao.org/markets-and-trade/commodities/rice/fao-rice-price-update/en/>)



MITIGATION ACTIONS: KEY RECOMMENDATIONS

- Prioritize efforts at national and sub-national levels for food security **monitoring and early warning systems**.
- Augment the **National Strategic Grain Reserve** in order to mitigate the impacts of the drought on the agriculture sector and consequently on the food supply in the country. These reserves would act as a buffer against fluctuations in food production and prices caused by climatic variations or reduced imports, helping to ensure food security during times of scarcity.
- Conduct **local market retailer assessments** to map out the current availability of rice in the country. By understanding the distribution channels and the quantities of rice available, authorities can make informed decisions about resource allocation and emergency measures during drought periods.
- Review the **ease of doing business** for food suppliers to help mitigate potential scarcity issues arising from climatic adversities.
- Strengthen **food systems**, improving integration of smallholder farmers and small and medium agribusinesses into **value chains** to maintain and increase the value of local products and reduce the country's reliance on external imports.
- Explore **alternative drought-resistant crops** such as **sorghum**, to enhance the country's agricultural resilience, offering a broader range of food options. This contributes to sustainable food production and reduces the impact of climate-related disruptions.



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