



World Food Programme

SAVING LIVES
CHANGING LIVES



FOOD SECURITY ALERT

SPECIAL BULLETIN

TIMOR-LESTE, OCTOBER 2023

HIGHLIGHTS



The entire territory of Timor-Leste is already showing signs of drought, based on MALFF, NDMG and FAO's Combined Drought Index (CDI). This is due to the ongoing El Niño Southern Oscillation (ENSO) conditions, which continue to strengthen and are forecasted to persist until early 2024. This will cause prolonged dry spells, negatively impacting agriculture output at regional and national levels.



The last El Niño event in Timor-Leste was in 2015/16 and resulted in 78 percent of households (roughly 709,601 people) being affected by drought in Timor-Leste and 40.6 percent of households experiencing food shortages and falling into severe food insecurity (an estimated 363,759 people).



Between July and September 2023, international rice prices surged, subsequently driving up the costs of rice within Timor-Leste. The retail prices of imported rice in the country have now escalated from USD 0.58 to USD 0.75 per kilogram, corresponding to USD 14.5 per 25kg bag in September 2022 and USD 18.75 in September 2023. This marks a substantial 29 percent increase. This steady climb in prices is progressively rendering rice unaffordable for impoverished families in Timor-Leste.



Timorese people depend heavily on imports of Indian rice. Compounding the surge in global rice prices, in July 2023, the Indian government introduced further measures aimed at stabilizing domestic food prices. These measures include a 20 percent export duty on non-basmati parboiled rice and the imposition of a minimum export price of USD 1,200 per tonne on basmati rice shipments. These measures may trigger a ripple effect in other nations, as they scramble to secure adequate rice supplies for their populations.



Given that up to 22 percent (300,000 people) of the Timorese population is already grappling with severe food insecurity, the convergence of factors such as the El Niño phenomenon, escalating rice prices, and trade restrictions forebode a looming crisis of heightened and exacerbated hunger in the region.



A rapid review of existing stock levels for rice indicates availabilities in the country may only cover just over one month of national rice consumption needs. It is crucial to procure rice and specialized nutritious food as soon as possible to prevent further deterioration of the nutritional and food security status of the poorest and most vulnerable Timorese families.

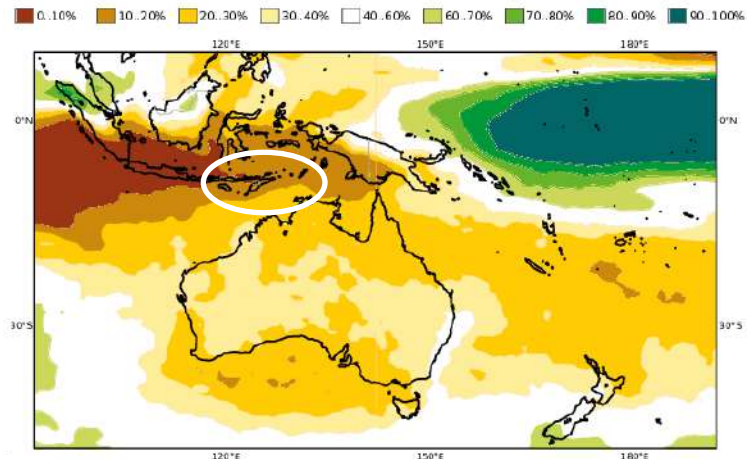
EL NIÑO UPDATE

Based on the latest (mid-September) update by the International Research Institute for Climate and Society (IRI) El Niño conditions are estimated to have strengthened further¹, and with near certainty this situation will persist with moderate to strong intensity until at least March 2024². Maps 1 and 2 show a high probability of below-average rains³ and above-average temperatures⁴ between October and December 2023 in Timor-Leste. Dry and hot conditions are expected to persist in early 2024⁵.

These alerts have also been confirmed by the National Directorate of Meteorology and Geophysics (NDMG) of Timor-Leste, which reported that, due to the impact of El Niño's intensification, increasing drought conditions have already been observed in some municipalities as of mid-September.⁶ The Ministry of Agriculture Livestock, Fisheries and Forestry (MALFF) and the NDMG, in collaboration with FAO, have recently established the Combined Drought Index (CDI), which assesses the conditions on the potential development of agricultural drought. As of mid-October, the system issued drought alerts for all municipalities, a concerning evolution from the previous month, when only three were showing signs of dryness (Covalima, Liquica and Oecusse).⁷ The latest results (see chart 1) reveal that for the period of September to December 2023 all municipalities have exceeded the CDI threshold of 60 percent. Oecusse exhibits the highest CDI values at 90 percent, while Liquica and Viqueque closely follow with CDI values reaching 85 percent. Aileu, Bobonaro, Dili, Ermera, and Manatuto have all reached CDI values of 80 percent, and Atauro and Covalima present CDI values of 75 percent. Ainaro and Manufahi marked a CDI of 70 percent, while Baucau and Lautem have CDI values of 60 percent.⁸

Based on the CDI report warning MALFF and the Civil Protection Authority (CPA) of Timor-Leste in collaboration with FAO are providing early warning messaging to farmers and other key stakeholders across Timor-Leste. In Baucau, Covalima, Liquica, and Oecusse and Viqueque training and action planning is being conducted for at-risk sucos on anticipatory strategies to manage agricultural drought and produce better agricultural outcomes in the coming months. Activities to improve water access ahead of the key growing period will be key to preventing agricultural losses for at-risk sucos.

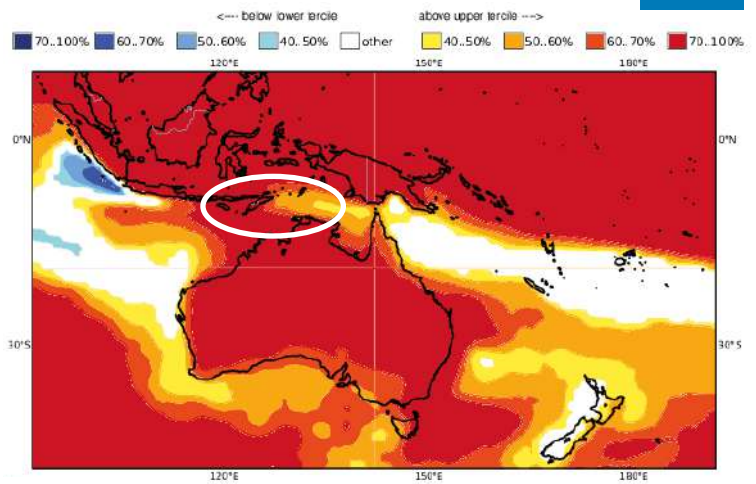
MAP 1



CS3 Multi-system Seasonal Forecast Probability of above-median precipitation (October-December 2023, issued September 2023).

Source: Copernicus

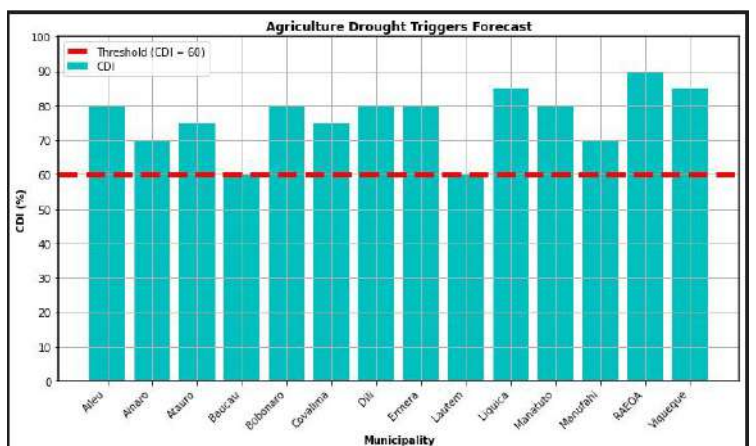
MAP 2



CS3 Multi-system Seasonal Forecast Probability of above-median temperature (October-December 2023, issued September 2023).

Source: Copernicus

CHART 1



Combined Drought Index (CDI), October 2023

1 https://iri.columbia.edu/our-expertise/climate/forecasts/enso/current/?enso_tab=enso-quicklook

2 IRI Model-Based Probabilistic ENSO Forecast: https://iri.columbia.edu/our-expertise/climate/forecasts/enso/current/?enso_tab=enso-iri_plume

3 In areas in darker brown colours as opposed to green colours

4 Red areas as opposed to blue areas

5 Copernicus Climate Change Service maps: https://climate.copernicus.eu/charts/packages/c3s_seasonal/products/c3s_seasonal_spatial_mm_rain_3m?area=area07&base_time=202309010000&type=prob&valid_time=202312010000

6 National Meteorology and Geophysics Directorate (NDMG): https://www.facebook.com/story.php?story_fbid=pfbid02892j9AYXXS1k3qybyYvpcJaeFAXRX99NAMvAnAZkSpecialhdodyNMt67Gy5ZsQVnTI&id=100067875199943

7 OCHA: <https://www.unocha.org/publications/report/world/asia-and-pacific-el-nino-humanitarian-snapshot-focus-philippines-timor-leste-papua-new-guinea-and-indonesia-30-september-2023>

8 Agriculture drought report forecasting (October 2023). FAO, UNEP, MALFF, CPA, NDMG, Green Climate Fund. The monthly CDI report combines key indicators of drought impacts to provide an assessment of drought risk at the municipal level, and aims to inform anticipatory action to be taken in advance of drought impacts. The 60% trigger indicates a threshold at which point the risk is assessed to be high enough to warrant the allocation of resources to act based on historic assessments of loss and damage.

WHAT WE KNOW AND WHAT TO EXPECT

Based on the results of the Rapid Drought Impact Assessment carried out by MALFF after the last severe El Niño event (2015/16), insufficient rains led to drought, affecting 78 percent of households (about 122,345 families or 709,601 people⁹) across the country (map 3). The assessment also estimated that, at national level, from December 2015 to February/March 2016, 40.6 percent of households (some 62,717 families or about 363,759 people¹⁰) were experiencing food shortages and fell into severe food insecurity due to drought impacts.

The prevalence was significantly greater in the municipalities of Viqueque (53%) and Lautem (51%), and even more so in the off-grid areas of Dili (70%). The severity of food insecurity was found very different across sucos, with some having the totality of the population facing food insecurity (map 4).¹¹

The 2015/16 drought impacts on food security are particularly worrying, as the population had not yet reached the high levels of food insecurity recorded today.

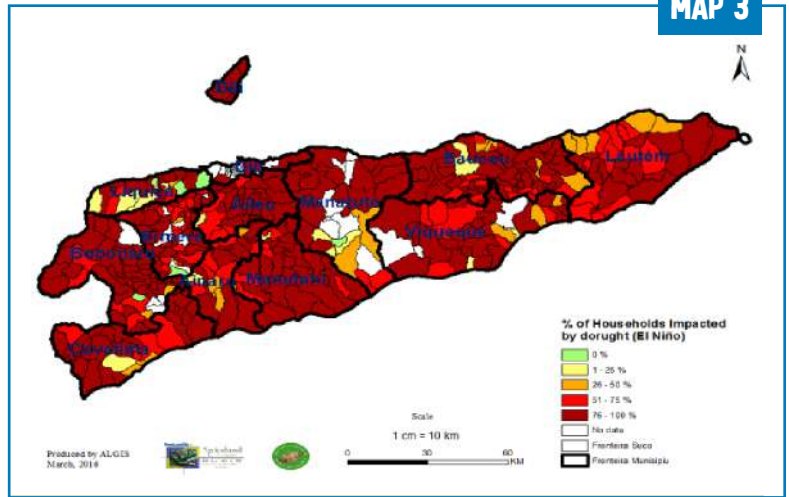
Over the period the current El Niño is forecast to impact Timor-Leste, it is anticipated that at least 22 percent of the population (300,000 people) will be facing high acute food insecurity levels (IPC phase 3 and above)¹². There are real concerns the number of people facing high acute food insecurity may be higher, as El Niño will likely worsen availability and access to food for the most vulnerable households. It also arrives on the back of compounding shocks (successive years of flooding, the lingering impacts of the COVID-19 pandemic, and the high food prices at national and global levels), which has effectively narrowed windows of recovery and reduced the coping capacities of vulnerable households, worsening and deepening food insecurity and poverty.

RICE PRICES INCREASED FURTHER IN AUGUST AND SEPTEMBER IN TIMOR-LESTE

In 2023, international rice prices reached all-time highs, due to strong consumer demand and limited global availabilities. In Timor-Leste, strongly rice import-dependent, the surge of international prices put upward pressure on already high domestic quotations.

The FAO All Rice Price Index reached the highest nominal value in the last 15 years in August 2023, reaching 142.4 points, and remained overall stable (declined by 0.5 percent, to 141.7 points) in September (figure 1).¹³

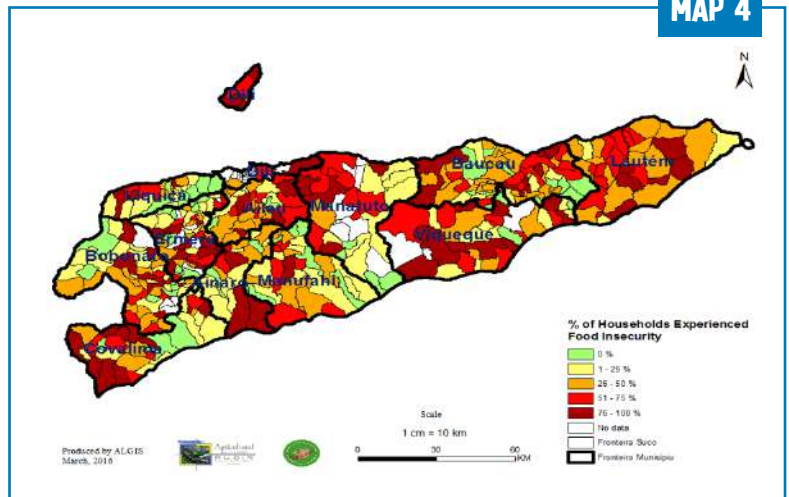
MAP 3



Drought affected areas, by percentage of households impacted, by suco.

Source: MALFF

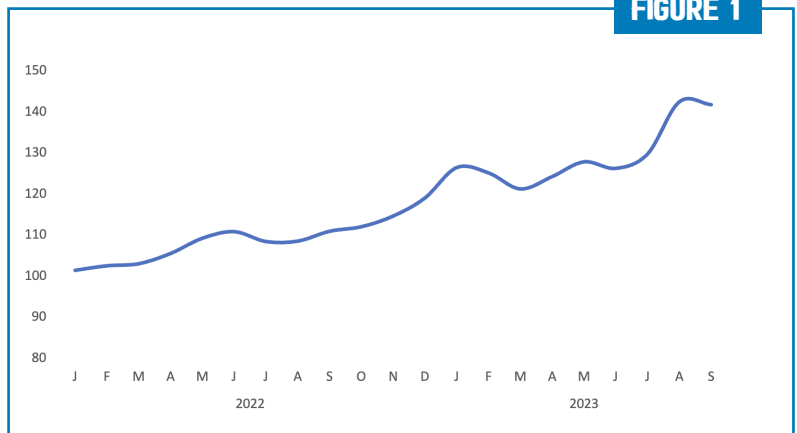
MAP 4



Prevalence of Food Insecurity from December 2015 to February/March 2016, by suco.

Source: MALFF

FIGURE 1



FAO all rice price index, January 2022 – September 2023 (2014-2016 av.=100).

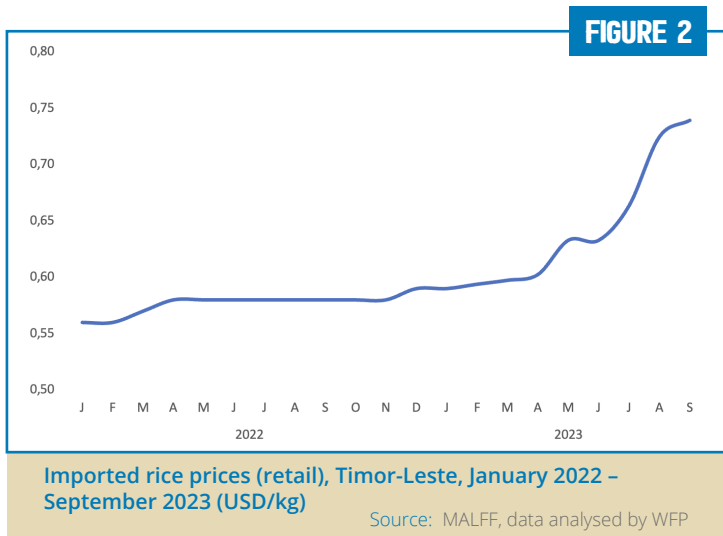
Source: FAO Markets and Trade

9 Based on the average household size of 5.8 people (Timor-Leste Population Census 2015), https://timor-leste.unfpa.org/sites/default/files/pub-pdf/Housing%20characteristics%20thematic%20report_consolidated.pdf
 10 Based on the average household size of 5.8 people (Timor-Leste Population Census 2015), https://timor-leste.unfpa.org/sites/default/files/pub-pdf/Housing%20characteristics%20thematic%20report_consolidated.pdf
 11 Rapid Drought Impact Assessment, El Niño 2015/2016: https://www.fao.org/fileadmin/templates/rap/files/meetings/2017/Final_MAF_El_Niño_Report.pdf
 12 The 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.ipcinfo.org/ipc-country-analysis/de-tails-map/en/c/1156204/?iso3=TLS>)
 13 <https://www.fao.org/markets-and-trade/commodities/rice/fao-rice-price-update/en/>

In July 2023, the Government of India introduced a ban on exports of non-basmati white rice¹⁴, which was followed by additional restrictions in August. The Government imposed a 20 percent export duty on non-basmati parboiled rice and announced a minimum export price of USD 1,200 per tonne on basmati rice shipments¹⁵. Given that Timor-Leste has been importing an increasing share of rice from India (about 90 percent of rice purchases in 2023), these trade regulations raise increasing concerns over the availability and prices of a significant staple food for Timorese people.

Indian restrictions were implemented in an attempt to control rising domestic food prices amid domestic rice output stagnation, though these issues are not limited to India. Other countries are experiencing reduced harvests due to the impact of adverse weather conditions and low fertilizer availability, and measures adopted by the Indian government may trigger a chain reaction of export curbs by other countries to protect their domestic supplies, as has been the case historically.¹⁶

Reflecting the trends in the international rice market, retail rice prices surged further in Timor-Leste in August and September 2023. The national average retail price of imported rice increased from USD 0.66/kg in July to USD 0.72 in August and rose further to USD 0.75/kg in September, marking a 29 percent increase from September 2022 (figure 2).¹⁷



In an attempt to stabilize rice retail prices, on 27 September 2023, the Council of Ministers of Timor-Leste approved a draft Decree-Law for the introduction of subsidies on imported rice. The wholesale price of imported rice was fixed at USD 0.5 per kg (USD 12.5 per 25kg bag), with the wholesaler companies obtaining a subsidy of USD 5 per bag of imported rice¹⁸.

On 4 October, the Minister of Commerce and Industry announced the government has allocated USD 12 million

for this measure for four of the largest rice-importing companies¹⁹. In addition, 30,000 tonnes of rice were allocated as a reserve for social interventions in emergency situations, in the warehouses of the National Logistics Center (CLN)²⁰.

The dependence of the Timorese population on imported rice, associated price fluctuations, and international rice trade dynamics have a significant impact on the availability and access to this key food item. There is a high risk the already alarming food security situation in the country will deteriorate further in the coming months as the El Niño Southern Oscillation (ENSO) conditions exacerbate.

There is pressing need to procure rice and Specialized Nutritious Foods (SNFs) at scale as soon as possible, to prevent further deterioration of the nutritional and food security status of the most vulnerable population. This should secure stocks arriving in the country prior to the end of the year, covering the peak of the El Niño event.

Current government stocks are being used to assist in stabilising local markets' prices though this is insufficient to have sustained impact. In addition, a rapid review of existing stock levels for rice of the National Logistic Centre and major wholesalers indicates rice availabilities in the country may only cover just over one month of national rice consumption needs (though this does not account for



stock availability in local markets or at household level). It is crucial to closely monitor El Niño's impacts and international and domestic rice stock levels in the coming months, as well as take early action to mitigate further food insecurity for the poorest and most vulnerable Timorese families.

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

15 <https://www.reuters.com/article/india-rice-exports/india-sets-floor-price-for-basmati-rice-after-restricting-non-basmati-idUSL1N3A803Z>

16 <https://www.wfp.org/publications/rice-regional-context-and-implications-timor-leste-august-2023>

17 Data collected by MALFF staff in collaboration with WFP, and analysed by WFP

18 Government of Timor-Leste: <http://timor-leste.gov.tl/?p=34421&lang=pt>

19 <https://www.independente.tl/nasional/governu-sei-fo-subsidiu-ba-empreza-importador-normaliza-folin-fos>

20 Government of Timor-Leste: <http://timor-leste.gov.tl/?p=34421&lang=pt>



RECOMMENDED ACTIONS TO TAKE AS SOON AS POSSIBLE

- Declare a drought situation in the country.
- Ensure coordination structures with government and humanitarian partners are well established and operationalized, including a framework for response and enhanced joint food security monitoring and early warning systems.
- Ensure effective supply chain and the adoption of good practices in planning and distribution management, including distribution site management and logistics.
- Take anticipatory humanitarian action to mitigate and prevent the forecast impacts and protect the population of Timor-Leste, including agricultural and water interventions to support farming communities with better outcomes during the drought. No-regrets actions should be taken to meet forecast upcoming needs and support longer term resilience to drought.
- Ensure preparedness and operational readiness including procurement at scale for rice and/or alternative cereal and Specialized Nutritious Foods (SNFs), at best possible price, guaranteeing quality control including food safety and quality (FSQ), lab testing, fumigation and loss management, and adherence to ISO standards.
- Ensure adequate safe storage capacities in key municipalities and preposition food and non-food items for ease of response.
- Further augment national stocks to mitigate the impacts of drought on the agriculture and food supply in the country, and create buffers against fluctuations in food production and prices.
- Conduct local market retailer assessments to map out the availability and affordability of rice and other key food items in the country.
- Support assessments, registration/targeting of vulnerable population, monitoring, and supply chain capacities and distribution channels to enable informed decisions on resource allocation and emergency measures.



RECOMMENDED ACTIONS TO TAKE IN THE MEDIUM/LONG TERM

- Strengthen food systems, improving integration of smallholder farmers and small and medium agribusinesses into local value chains to maintain and increase the value of local products and reduce the country's reliance on external imports.
- Increase the introduction of Climate Change adaptation in critical sectors such as water enhancement programs to support food systems strengthening.
- 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.
- Scale the anticipatory action approach to protect communities at-risk of drought in future.
- Review the ease of doing business for food suppliers to help mitigate potential scarcity issues arising from climatic adversities.



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