

Market Monitor Report | Food Security Analysis

MALFF | WFP |

Highlights

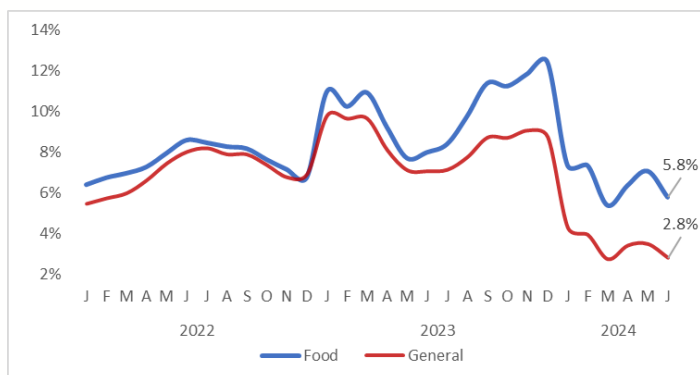
- **Food inflation¹ decreased** in June 2024, reaching **5.8 percent**, 2 percentage points lower than the 8.0 percent recorded in the same period last year. Likewise, **headline inflation² decreased** to **2.8 percent**, marking a decline of 4 percentage points from 7.0 percent in June 2023.
- The average **retail price of imported rice**, the main staple food across the country, decreased slightly from Q1 to Q2 2024. However, it **remains 20 percent higher than the June 2023 price**.
- The **cost of the basic food basket in June 2024** amounted to **US\$1.02/person/day**, virtually unchanged from the previous quarter but **5 percent below the level of a year before** (US\$1.02 in June 2023), due to lower prices for all commodities except rice.

Methodology: The World Food Programme (WFP) collaborates with the Ministry of Agriculture, Livestock, Fisheries and Forestry (MALFF) and the National Institute of Statistics (INETL) to collect food price data on a monthly basis across the country's main markets from thirteen municipalities. Data has been collected since 2020, to monitor the impacts of COVID-19, climate change, and global conflicts on the market prices in Timor-Leste. On average, around six traders per market are surveyed, targeted food commodities weighed, and their prices averaged per kilo.

Consumer Price Index (CPI)

Based on the latest Consumer Price Index (CPI) data (Figure 1) from the National Institute of Statistics (INETL), the annual inflation rate declined to 2.8% in June 2024, 4 percentage points lower than in June 2023. Food and non-alcoholic beverage inflation fell to 5.8%, a 2.2 percentage point decrease compared to the same period last year. This decline was driven by price reductions in oil and sugar, though rising rice prices partially offset these gains.

Fig.1: Timor-Leste general inflation and food inflation 2022–2024 (year-on-year CPI change, August 2018=100)

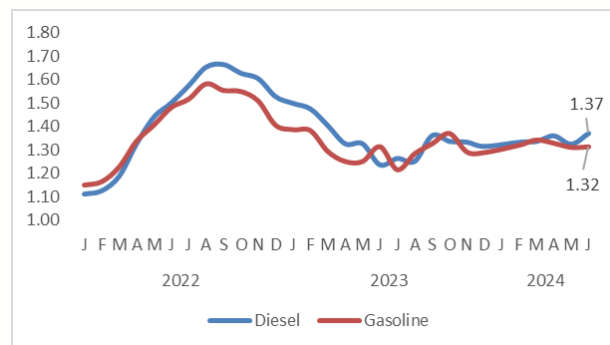


Fuel prices

Gasoline and diesel prices slightly rose between November 2023 and March 2024 and showed mixed trends afterwards. As of June 2024, diesel prices reached US\$1.37/litre, slightly increasing from the previous quarter and 11 percent above the level in June 2023. Gasoline prices in June 2024 averaged

US\$1.32/litre, marking a marginal decline from March 2024 (-2%) and remaining unchanged from a year earlier (Figure 2).

Fig.2: Timor-Leste national average retail fuel prices, 2022–2024

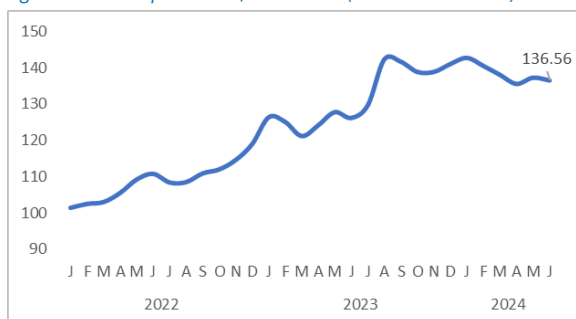


Rice prices

After peaking in January 2024, with the FAO All Rice Price Index³ scoring 142,8 points, the highest value, in nominal terms, since August 2008, international rice prices declined until April. In May, the index increased slightly, to 137.32 points and in June it declined again (to 136.56 points), but remained 8 percent higher year-on-year (Figure 3). The main driver of the yearly price increase is a reduced rice harvest in India, globally the main rice exporter, due to insufficient rains during the season amid the impact of El Niño state⁴.

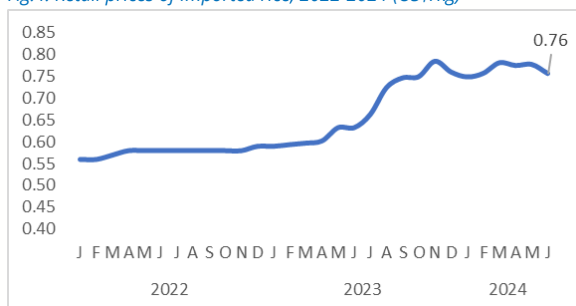
In Timor-Leste, strongly rice import-dependent and sourcing most of its imports from India, the surge of international prices put upward pressure on already high domestic quotations⁵.

Fig.3: FAO all rice price index, 2022–2024 (2014-2016 av.=100)



The national average retail price of imported rice in June 2024 declined slightly compared to a month before and the previous quarter (March 2024), reaching US\$19 for a 25kg bag, or US\$0.76/kg (Figure 4). This level however is 20 percent above the price recorded in June 2023 (US\$15.75 for a 25kg bag, or US\$0.63/kg) despite larger supplies amid increased imports. It is estimated that between January and April 2024, 61,000 tonnes of rice were imported to Timor-Leste, compared to 27,000 tonnes in the same period in 2023.⁶

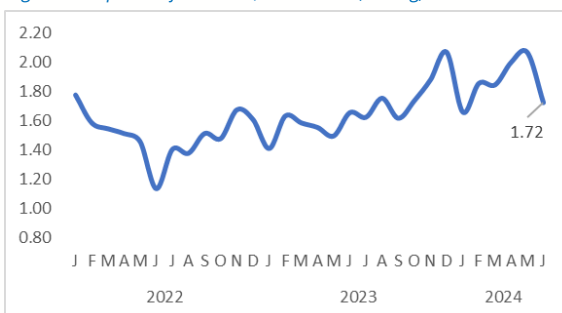
Fig.4: Retail prices of imported rice, 2022-2024 (US\$/kg)



Local rice accounts for a small proportion of the market supply as the domestic production is not sufficient to cover the Timorese population's consumption needs (the rice Import Dependency Ratio (IDR) is estimated at about 70 percent⁷). Prices of local rice are more volatile and consistently higher than those of imported rice, considering its limited availability and consumer preference to use it for ceremonies and special occasions. Local rice producers normally consume most of their production and only limited quantities are sold on the markets⁸.

As shown in Figure 5, the national average retail price of local rice increased between March and May 2024, when it reached US\$2.07/kg, and declined to US\$1.72/kg in June. This level is 4 percent above the previous year, due to the expectation of a reduced output in 2024 following drier-than-average weather conditions at planting stage connected to the El Niño weather event⁹.

Fig.5: Retail prices of local rice, 2022-2024 (US\$/kg)



Price trend of other food items

Prices of other food items (see Table 1) in June 2024 were mostly lower or remained stable compared to a month before and a year earlier. On a monthly basis, prices of chicken, salt, egg, cooking oil and wheat flour remained stable, while prices of all other items except sugar declined. This is likely due to an increase in market supplies in June following the harvest of main crops. Compared to June 2023, prices of chicken, bean, and taro remained stable, while prices of all other items declined due to the harvest taking place later than usual as the El Niño event caused a delay in the onset of the rainy season in late 2023 and thus in the cropping cycle. In particular, retail prices of sugar, which is mostly imported, dropped by 32 percent compared to 2023, when they had surged in the country following the implementation of new excise taxes in Timor-Leste¹⁰.

Table 1: Percentage change of other food items prices (US\$/kg)

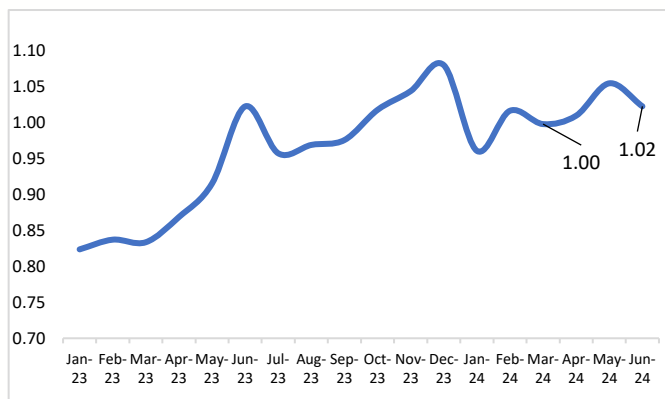
	Jun-24		1M		3M		1Y
Chicken	\$ 3.63	→	-2%	↑	8%	→	-2%
Beans	\$ 2.87	↓	-8%	↓	-7%	→	-3%
Taro	\$ 0.78	↓	-15%	↓	-20%	→	-4%
Salt	\$ 0.54	→	-1%	→	-3%	↓	-6%
Onion	\$ 2.92	↓	-6%	→	-1%	↓	-6%
Egg*	\$ 0.19	→	-3%	→	-1%	↓	-8%
Maize	\$ 1.26	↓	-9%	↓	-21%	↓	-10%
Tomato	\$ 2.51	↓	-7%	↑	26%	↓	-10%
Sweet Potato	\$ 0.86	↓	-21%	↓	-20%	↓	-12%
Chili	\$ 5.78	↓	-11%	→	-4%	↓	-16%
Cooking Oil**	\$ 1.38	→	4%	→	-2%	↓	-16%
Wheat flour	\$ 0.93	→	2%	→	0%	↓	-17%
Potato	\$ 1.33	↓	-18%	↓	-9%	↓	-22%
Sugar	\$ 1.40	↑	8%	→	1%	↓	-32%

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

Cost of a Basic Food Basket (BFB)

In June 2024, the cost of the Basic Food Basket (BFB) was recorded at US\$1.02/person/day, reflecting a 2% increase compared to the previous quarter (US\$1.00 in March 2024). This rise was influenced by price reductions in rice, cooking oil, beans, onions, and eggs, which partially offset the increases in tomato and chicken prices. Year-on-year, the BFB cost remained unchanged from June 2023 (US\$1.02), as price decreases across most commodities balanced out the stability of rice prices.

Fig.6: Cost of a Basic Food Basket, 2023-2024 (US\$/person/day)



WFP Basic Food Basket (BFB) Daily per capita ration

The BFB is a combination of specific quantities of seven food items of six different food groups (rice, beans, eggs, vegetable oil, tomatoes, onions, and chicken meat) enough to cover the daily macronutrient requirements of an average household member according to [Sphere Standards](#).

The BFB composition was determined by WFP following a right-based approach considering some of the most consumed commodities ([TLFNS 2020](#)) among those regularly monitored in the markets, using the [NutVal](#) application.

The cost of the BFB is calculated to assist in interpreting the impact of changes in food commodity prices on the cost of a healthy diet consumed in Timor-Leste

References

1. Inflation is the rate of increase in prices over a given period of time. In Timor-Leste, the *Food and non-alcoholic beverages inflation* (in this bulletin: food inflation) takes into account prices of cereals, bread, meat, fish and seafood, dairy products, oils and fats, fruit, vegetables, sugar and sugary products, coffee, tea, cocoa, mineral water, soft drinks, prepared food/meals, food products not elsewhere classified (n.e.c.). [INETL, Consumer Price Index \(CPI\), June 2024](#).
2. The headline inflation is composed of several inflation groups: *Food and non-alcoholic beverages; Alcohol and tobacco; Clothing and footwear; Housing; Furnishing, household equipment and routine household maintenance; Health; Transport; Communication; Recreation and culture; Education*. [INETL, Consumer Price Index \(CPI\), June 2024](#).
3. FAO All Rice Price Index, [link](#)
4. 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, it has a drying impact. See March 2024 Food Security Alert for more information, at this [link](#)
5. For more details, please see Timor-Leste Market Monitor Report Q4 2023, [link](#)
6. Trade data provided by the Timor-Leste Customs Authority.
7. The IDR is defined as imports/(local production + imports – exports)*100.
8. Crop and Food Supply Assessment Mission (CFSAM) 2021, [link](#)
9. FAO-GIEWS Country Brief, 7 June 2024, [link](#)
10. In Timor-Leste, excise taxes on sugar and confectionery, and on sugar-sweetened beverages were introduced in January 2023 through [Law 15/2022](#) (articles 3 and 4). The excise tax on sugar and confectionery was revoked through [Law 17/2023](#) of 29 August 2023. The excise tax on sugar-sweetened beverages was confirmed through [Law 21/2023](#) (article 3, point 4a).
11. Highlighted by the Ministry of Agriculture, Livestock, Forestry, and Fisheries (MALFF) – Timor-Leste, 2025, Food Security Unit.

Table 2 : The calculation of the Basic Food Basket (BFB)

Monitoring Basket	Daily Ration g/person/day	Energy Kcal	Price/daily ration (\$)
Rice	400	1,440	0.30
Beans	70	238	0.20
Veg Oil	30	265	0.04
Tomatoes	50	9	0.13
Onions	50	20	0.15
Eggs	30	43	0.10
Chicken meat	30	65	0.11
Ration Total		2,079	1.02



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Disclaimer 1: All January 2024 and some of June 2024 maize prices are estimates calculated by WFP, due to the unavailability of actual market data. The method used is ARIMA (autoregressive integrated moving average), which helps predict prices based on past data. A technical note on the methodology is accessible [here](#).

Disclaimer 2: National average price fluctuations for all monitored commodities may be influenced by the availability of data from the different municipalities, which is not always consistent across mont

Disclaimer 3: The carbohydrate group comprises staple foods such as rice, maize, cassava, and sweet potatoes. Together, these foods provide a total of 1,440 kilocalories (kcal) of energy, playing a vital role in meeting daily dietary energy needs. Additionally, carbohydrate diversification is an important consideration for food security¹¹.