

Timor-Leste

Food Security Bulletin

Issue No.12 July – September 2015

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Highlights

- Food security situation in the rural communities in Timor-Leste generally normal with main season rice harvest completed in September 2015, with the bulk of the harvest entered the market, however, with lower harvest this year, it is anticipated that lean season will start earlier than normal in November.
- Despite main season rice yield increased by 6 percent tonne per hectare, total rice production estimates for 2016 lower by 32 percent compared to 2014, with 38 percent of planted areas reported to have failed harvest.
- Rice deficit for the marketing year 2015/16 (April/March) was revised from the initial forecast of 94,708 tonnes to 60,361 tonnes, following a significant decrease of rice harvest in 2015,
- The government National Logistic Center did not import rice from July to September; the reported rice import of 6,635 tonnes in July was from the private sector, this is in addition to the 18,925 tonnes imported during the second quarter of 2015, lower than the estimated cereal (maize and rice) deficits of 140,768 tonnes for marketing year 2015/16.
- In September, the month-on-month inflation stood at 104.5 while year-on-year inflation stood at 104.6.
- The average price for rice and maize decreased during the month of July to September 2015 compared to quarter three of 2014. Maize average price stood at USD 0.37/kg from USD 0.75/kg, subsidy rice at USD 0.11/kg from USD 0.61/kg and commercial rice stood at USD 0.54/kg from USD 0.68/kg.
- Low levels of rainfall recorded from July to September 2015, facilitated efficient harvesting, considered normal as transiting to dry season.
- During the third quarter of 2015, the percentage of children in Timor-Leste who have utilized the health facilities decreased to 27% compared to the same period in 2014, with moderate underweight decreased to 9% with severely underweight remained at 2%.

The Timor-Leste Food Security Bulletin (FSB) is a product of the EU and FAO supported project on establishing a sustainable National Information and Early Warning System (NIEWS) on Food Security in Timor-Leste. The FSB aims of reporting and providing information on national and household food security situation in a quarterly basis. This is a MAF led innovation of ensuring the timely delivery of information to decision makers and wider stakeholders on the general overview of the food security situation in the country as an early warning to mitigate the serious impact of food shortages and hunger. In this quarter issue provides final rice production estimates of 2015, the projected increased rice deficit and general food security outlook. This also includes market information and price for main food products, as well as information on rainfall and vulnerability.

The European Union funds this product. The views expressed in this publication do not necessarily reflect the views of the European Union.



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Food Production

- Rice**

Rice harvest was completed in September 2015. The Ministry of Agriculture and Fisheries (MAF) has reported 6 percent increased yield compared to 2014, with final rice production estimates at 60,361 tonnes (excluding Oe-Cusse), decreased by 32 percent due to erratic rainfall throughout the season that resulted to 38 percent failed harvest.

The result of the crop assessment that conducted by MAF from July to September confirmed that all municipalities have rice deficits except Baucau. Higher deficit was reported in the municipalities of Ermera, Liquiça, Ainaro and Manufahi. Although, some municipalities observed to have higher yield like the municipalities of Ainaro, Manatuto and Lautem.

Table 1: Comparison on Cultivation, Yield and Production of rice in 2014 to 2015.

Commodity	Rice					
	Year	Cultivated Area (ha)	Harvested Area (ha)	Yield (t/ha)	Total Production (t)	Equivalent to Milled Rice (t)
	2014	28,514	28,483	3.12	88,824	53,294
	*2015	29,693	18,281	3.30	60,361	36,217
Percent Change (%)		4%	-36%	6%	-32%	-32%

Source: MAF

*Note: Final rice production estimates

Table 2: Rice Production Estimates for 2015

Municipality	Rice					
	Potential Area (ha)	Cultivated Area (ha)	Harvested Area (ha)	Yield (t/ha)	Production (t)	Milled Rice Equivalent (t)
Aileu	776	398	398	3.11	1,240	744
Ainaro	6,076	150	150	4.91	737	442
Baucau	14,423	8,112	8,112	3.25	26,350	15,810
Bobonaro	7,662	2,516	2,516	3.53	8,879	5,327
Covalima	5,615	970	970	3.15	3,061	1,837
Dili	150	30	30	3.86	116	70
Ermera	2,419	833	833	3.51	2,926	1,755
Lautem	3,864	680	680	3.72	2,531	1,519
Liquisa	1,866	254	254	3.24	824	494
Manatuto	12,731	1,302	1,302	4.05	5,272	3,163
Manufahi	9,942	122	122	2.67	324	195
Viqueque	9,793	2,976	2,914	2.78	8,101	4,861
Oecusse	5,705			0		
Total	81,022	18,344	18,281	3.30	60,361	36,217

Factors Affecting Production

Agro-meteorology

- From July to September 2015, rainfall condition was generally below the long term average. With most of the municipalities continued to experience dry weather. Precipitation anomaly relative difference to long term average showed below normal rainfall in most areas of the country except rainfall bimodal areas that received good rain in July and August. Having low rainfall from July to September was supportive in the efficient completion of the main season rice harvest, but negatively affected the second season crop production.
- The VHI informs the overall vegetation conditions and indicates vegetation stress level particularly early indication on drought in the country. The Vegetation Health Index (VHI) a composite index and the elementary indicator used to compute the Agricultural Stress Index (ASI) that combines both the Vegetation Condition Index (VCI) and the Temperature Condition Index (TCI).
- Figure 2 shows that during the second quarter of 2015, areas that consistently indicated having a Vegetation Health Index (VHI) more than 0.65 to 0.85 (dark green colour) were the west and central regions. Coastal areas have VHI below the normal 0.45, particularly in the municipalities of Manatuto, Baucau, Viqueque and Covalima. While, the highlands of the municipalities of Bobonaro, Covalima, Ermera and Ainaro indicated a VHI higher than 0.55, reasons to have lower production in the coastal areas.

Figure 1: Precipitation Anomaly-Relative difference to Long Term Average

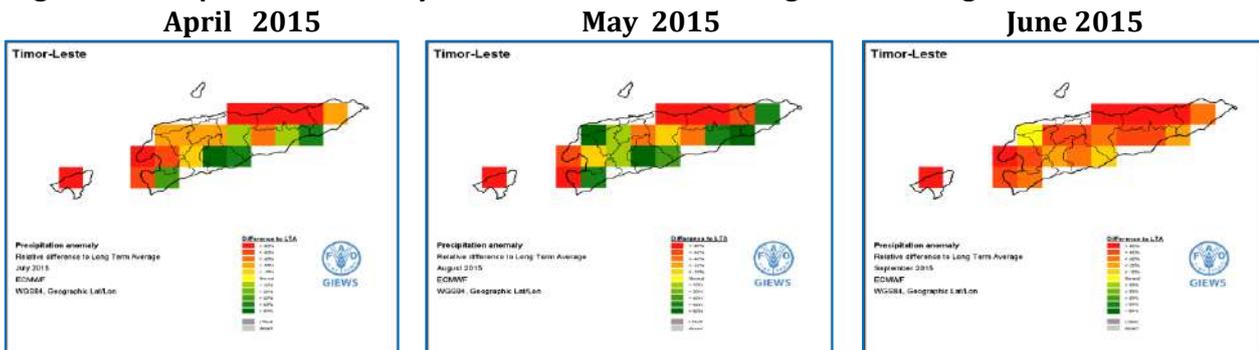
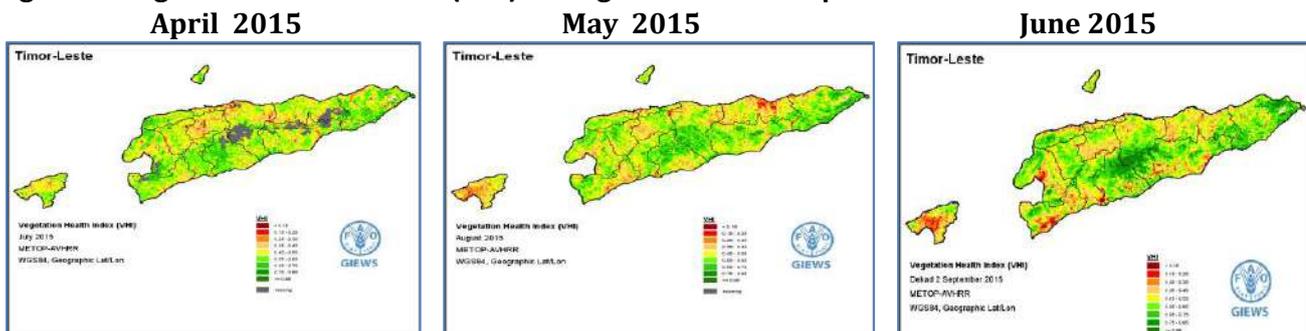


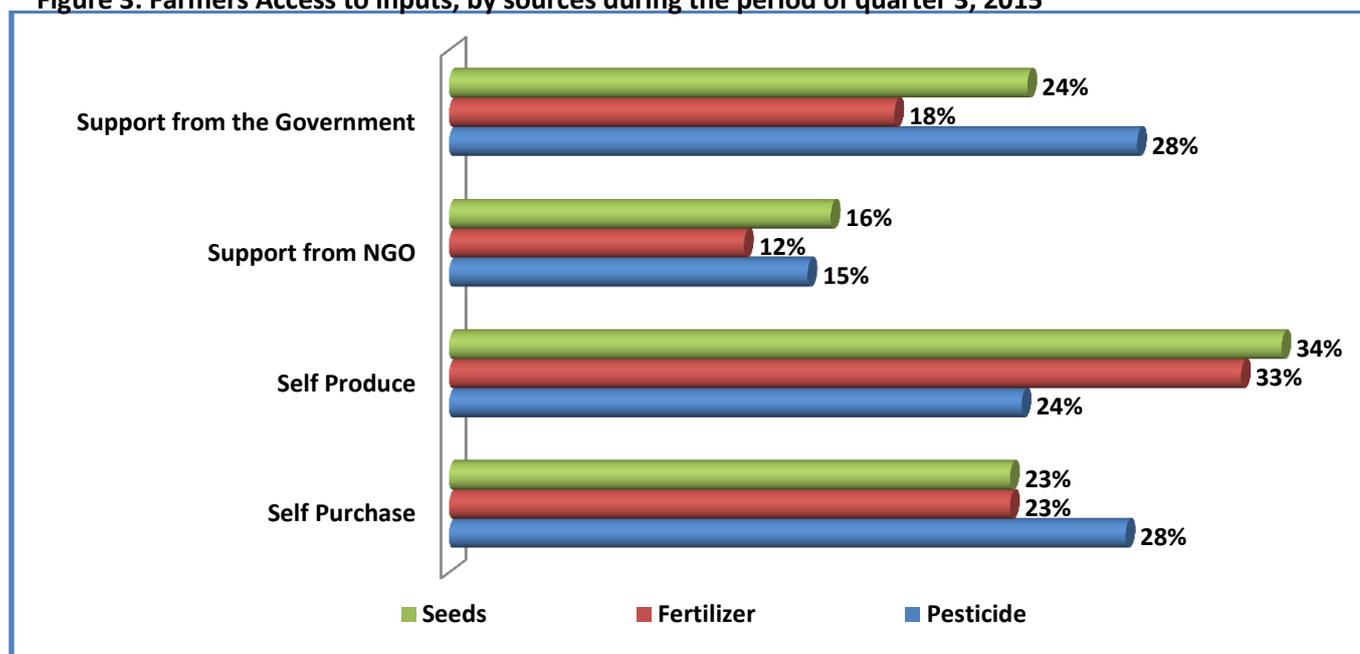
Figure 2: Vegetation Health Index (VHI) during the month of April to June 2015



Means of Production and Input

- The Ministry of Agriculture and Fisheries (MAF) continue to provide farm inputs subsidies such as seeds, fertilizers and pesticides with an objective of increasing the productivity for maize and rice. These inputs were distributed in addition to the free plowing program (programa fila rai gratuita). The Suco Level Food Security Monitoring System (SLMS) reported that during the third quarter many famers received most of their seeds from the government (24%) along with pesticides (28%) and fertilizers (18%), while 27% claimed that they either purchased or produced their farm inputs. On the other hand, 14% reportedly received farm inputs from NGOs.

Figure 3: Farmers Access to inputs, by sources during the period of quarter 3, 2015



Source: SLMS-MAF

FOOD SUPPLY AND DEMAND SITUATION

Revised National Cereal Balance Sheet for 2015/16 marketing year (April/March)

This National Cereal Balance for marketing year of 2015/16 was finalized to reflect the 2015 final maize and rice production estimates. With a lower maize and rice production, the deficit increased to 140,768 tonnes.

Part of this deficit is expected to be covered by other food crops such as roots and tubers, although high deficits often addressed by increasing cereal imports.

Table 3: Updated National Food Balance Sheet Marketing Year 2015/16 (April/March)

	Rice (T)	Maize(T)
Domestic Availability	47,967	64,795
Opening stocks 1/	11,750	
Final Production estimates 2/	36,217	64,795
Total utilization	139,792	113,738
Food use 3/	131,979	83,421
Seed requirement 4/	570	1,358
Feed use 5/		16,000
Post-harvest losses 6/	7,243	12,959
Targeted closing stocks 7/		
Deficit/Surplus	91,825	-48,943
Import Requirements		
Anticipated commercial Imports	91,825	48,943

Source: NIEWS-MAF

In order to calculate the national cereal balance, the following assumptions were used:

- 1/ only government stocks (data from MCIE) as of March 2015
- 2/ Milling rate of paddy to rice is estimated at 60 percent
- 3/ Based on 106 kg per year/person of rice consumption and 67 kg per year/person of maize and a population of 1,245,085 (Source: DNE Monografiku Projeksaun Populasaun Vol.8)
- 4/ According to the Directorate National of Agriculture and Horticulture (DNAH) of MAF, standard use of seed for: rice 25-35 kg/ha, maize 40-50 kg/ha
- 5/ There is no information available on the use of grains to feed animals. However, it is known that the 60% extraction rate of rice already takes into account and 6% that remains in the husk is given to animals. Maize, in turn is extensively used as feed. Only chicken feed is used for this calculation, based on MAF's standard consumption rate.
- 6/ DNAH/MAF estimates 15-20% post-harvest losses in both rice and maize
- 7/ It may include contingency stock.

Cereal Imports

Table 4: Rice imports during marketing years

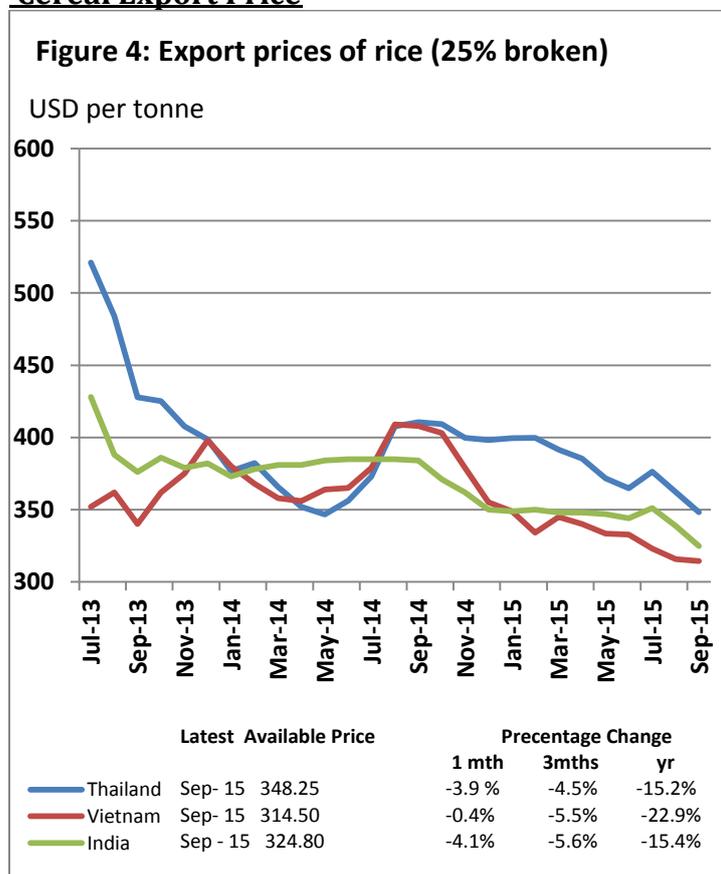
	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
2012/13	134	331	3,856	1	1	500	10,607	0.11	3,042	3	251	51	18,777
2013/14	3,010	-	1,999	9,754	487	6,905	2,029	6	2,475	8,307	845	10,047	45,864
2014/15	8,954	640	131	5,529	28,810	14,695	3,710	5,925	131,237	4,606	4,675	5,857	214,769
2015/16	7,602	10,944	379	6,635									25,560

Source: Alfanega-MoF

- The rice import estimates was revised in the second quarter from the initial forecast to about 75,339 tonnes, with the assumption that rice and maize harvest will increase, however, with significant low maize and rice harvest, rice import was estimated to increase to 140,768 tonnes.
- The government National Logistic Center confirmed that there was no rice import from July to September. The 25,560 tonnes rice import reflected in Table 4 from April to September 2015 was from the private sector.
- The Ministry of Commerce, Industry and Environment (MCIE) confirmed that with the changes in the management structure of MCIA the local food acquisition program was put on hold.

Food Price

Cereal Export Price



Source: FAO-GIEWS

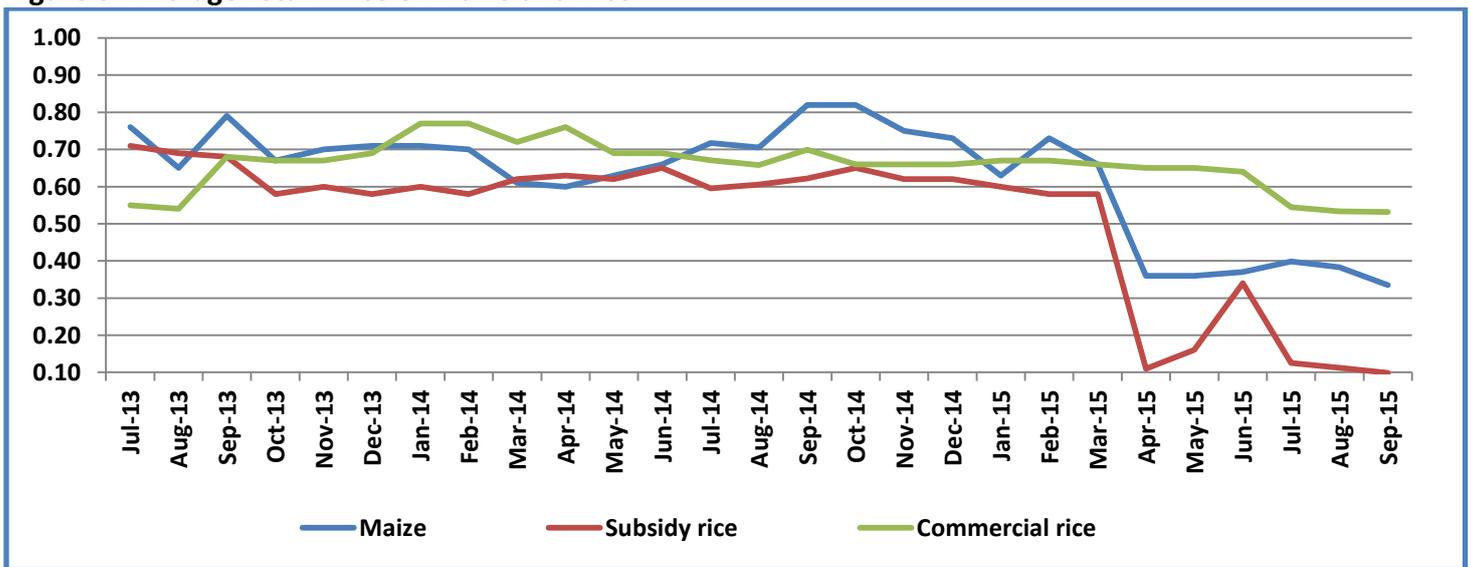
The FAO Global Food Monitor reported that domestic prices of rice in August lingered around their previous month's level throughout the subregion with just a few exceptions. In Viet Nam, rice prices remained virtually unchanged in August, after the declines of the previous months, following the completion of the 2015 summer/autumn season harvest. In India, prices were relatively stable or declined in some markets as a result of weak export demand and improved prospects for the 2015/16 main season crop, to be harvested from late September.

In Thailand, prices weakened in August as a result of low export demand and new sales from Government stocks. In Indonesia, prices of medium quality rice strengthened somewhat and were at near-record level in August, due to harvest delays, coupled with higher fuel and transport costs.

Domestic Price

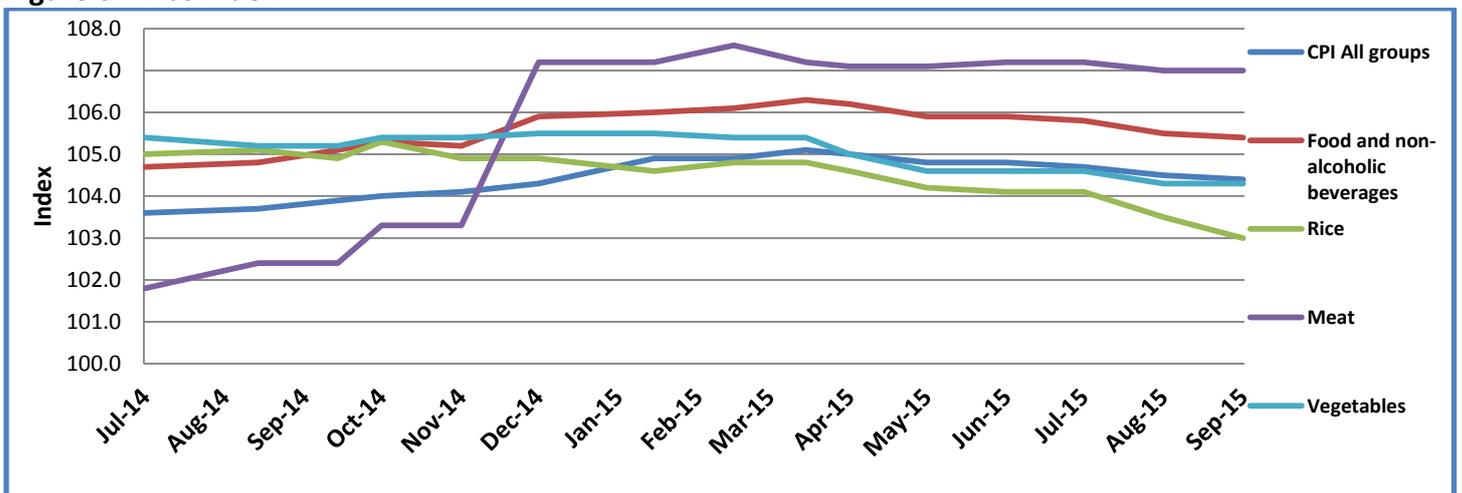
- After a sharp increase of the subsidized rice price in June it was declined back in July to USD 0.12 cents per kilogram, thus, influenced the average price to fall at USD 0.11/kg, lower than the average price of USD 0.20/kg from the previous quarter and USD 0.61/kg same period in 2014.
- Maize average price remained lower from July to September 2015 than the same period in 2013 and 2014. The average price stood at USD 0.37/kg lower compared to USD 0.75/kg same period in 2014
- Commercial rice prices remained relatively stable in most communities, the average price stood at USD 0.54/kg, lower from USD 0.68/kg same period in 2014.
- The Suco Level Food Security Monitoring System (SLMS) reported that there were 7 upland remote villages (with fewer access to market) belonging to the municipalities of Ermera, Manatuto, Viqueque, MANufahi and Dili (Atauro) recorded higher prices on maize and rice ranges from USD 1.50/kg to USD 2.00/kg for maize and USD 0.52/kg to USD 1.00/kg for subsidy rice.
- The month-on-month inflation during the third quarter in 2015 stood at 104.5 with year-on-year inflation at 104.6, higher compared to previous year 2014, attributed from the increase of the monthly and annual inflation from education (18.6%), clothing and footwear (5.2%), alcohol and tobacco (4.4%) and food and non-alcoholic beverages (1.5%). Similar to 2014, transport (-6.7%), has the largest offsetting movement through to September 2015, due to a sharp drop of the gasoline and diesel prices in October year 2014 and February year 2015, as well as prices on motorcycles in September 2015.

Figure 5: Average retail Price of Maize and Rice



Source: NIEWS-SLMS-MAF

Figure 6: Price Index

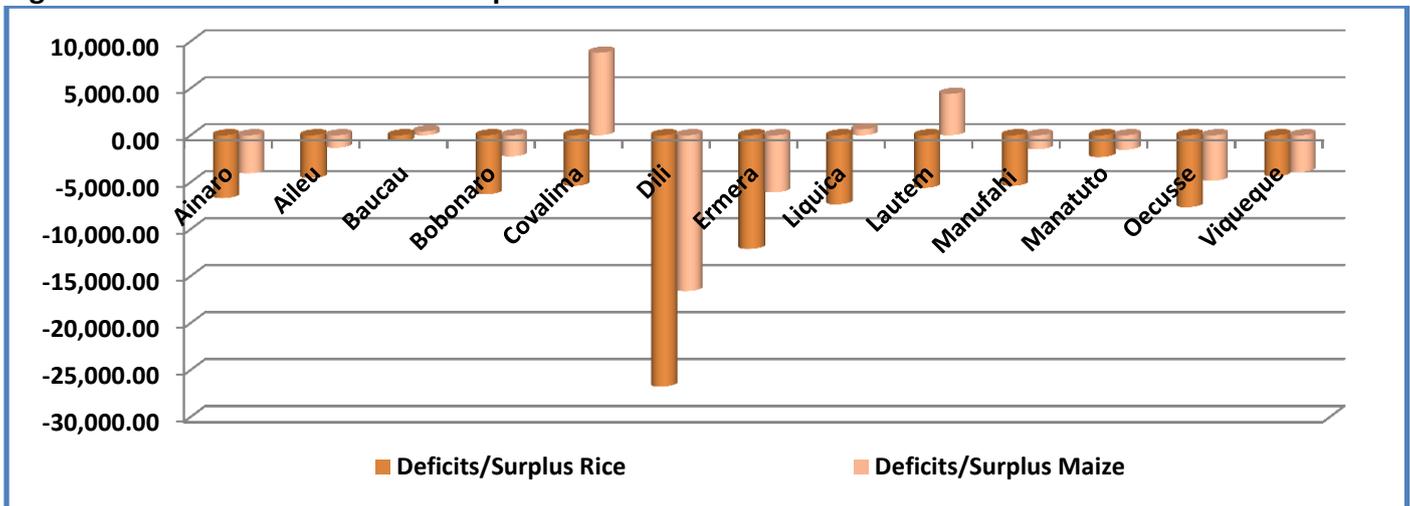


Source: DNE-MF

Household Food Security and Vulnerability Analysis

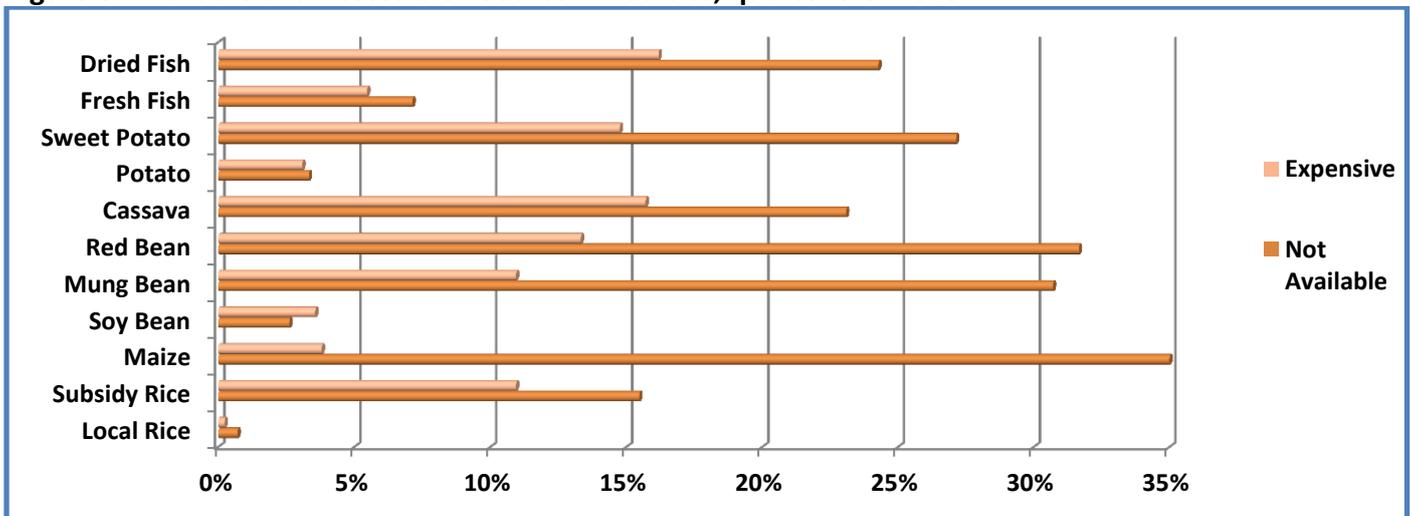
- Generally, food supply situation across the country has been reported normal, with the bulk of 2015 rice harvests entering the markets. The SLMS reported that the price of subsidy rice, maize and potato was affordable, although not always available throughout the quarter. Other food products such as beans, dried fish and tubers were also less available.
- The main season rice production appears lower compared to the initial forecast set by the Ministry of Agriculture and Fisheries (MAF). Although most of the municipalities reported to have increased yield, but the production remains low with 36% decreased on area harvested. Rice main season production was finalized at 60,361 tonnes (excluding Oecussi), lower by 32% compared to 2014, with average yield at 3.30 tonne per hectare. Reported surplus in the municipality of Baucau but high rice deficits in the municipalities of Ermera, Liquiça, Ainaro and off grid areas in Dili.
- The Ministry of Social Solidarity (MSS) distributed approximately 262 tonnes of rice from July to September 2015 mostly to food insecure households but also included institutions such as orphanages and training centers. In addition to rice, 312 litters of edible oil, 27 boxes of canned fish, 14 boxes of iodized salt, 0.62 tonnes of mung beans and 0.64 tonnes of red beans were also distributed the program beneficiaries in 13 municipalities.

Figure 7: 2015 Cereal Production Surplus and Deficit



Source: SLMS-MAF

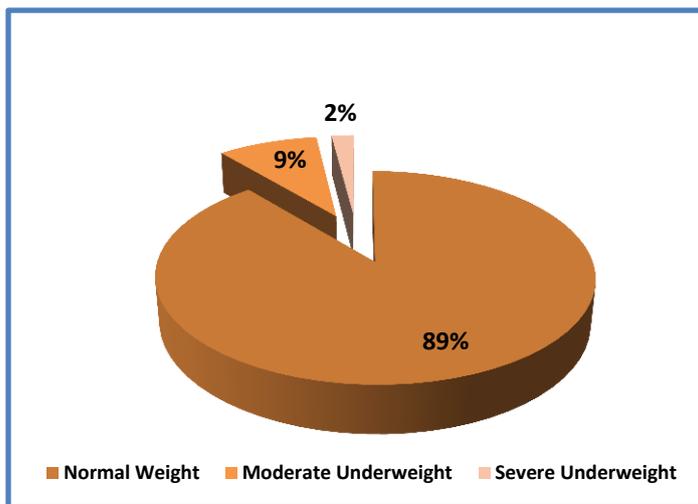
Figure 8: Available and Accessible Food Commodities, quarter 3 of 2015



Source: SLMS-MAF

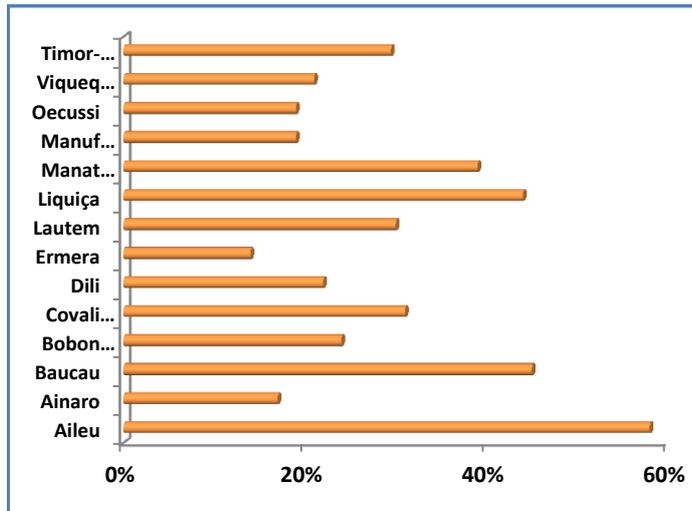
Nutrition and Health

Figure 9: Nutritional Status (Underweight) for Children under 5, Quarter 3 of 2015



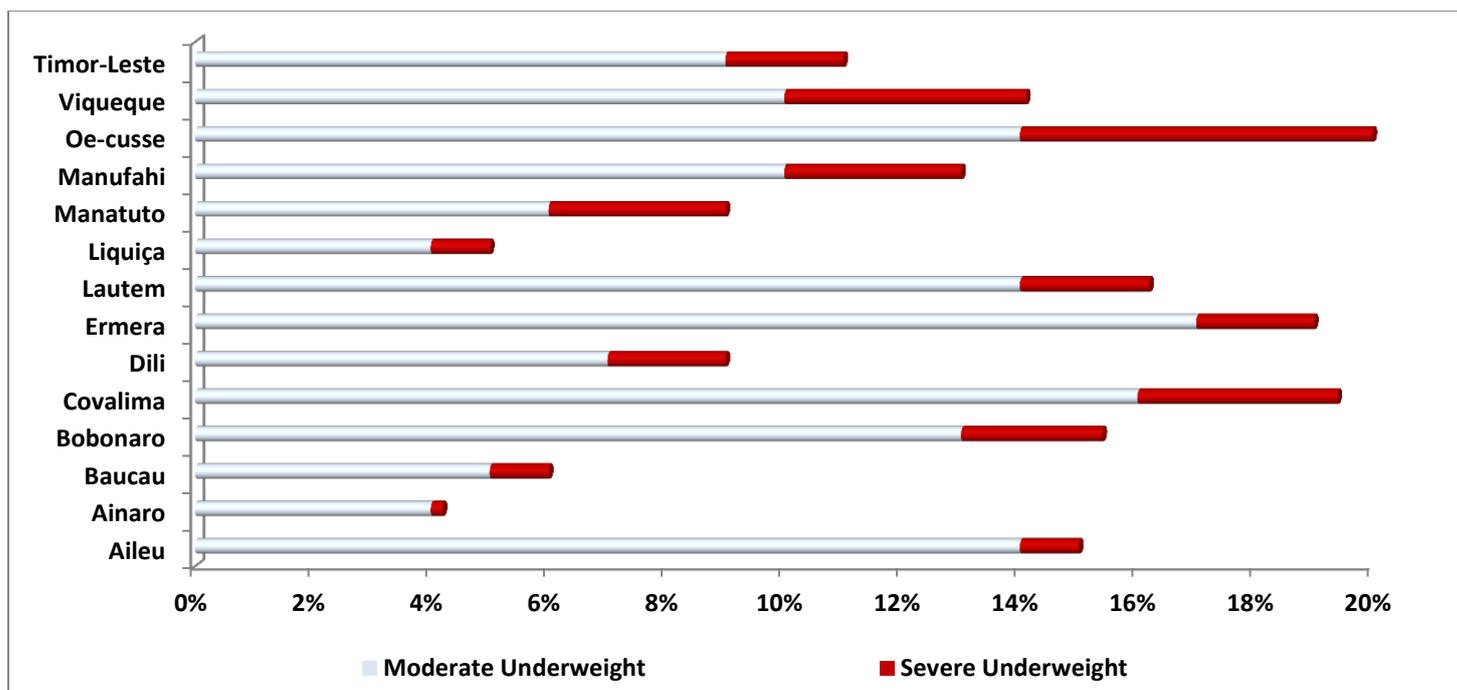
Source: H-MIS- MoH

Figure 10: Average Percentage of Children weighted every month, Quarter 3 of 2015, by Municipality



- During the third quarter of 2015, the Health Monitoring Information System (H-MIS) recorded an increase of children attendance (29%) at the public health facilities and a reduction of the number of children with moderate underweight to 9% and severe underweight at 2% compared to same quarter in 2014.
- High percentage of children attendance in the municipalities of Aileu (58%), Baucau (45%), Liquisa (44%) and Covalima (31%), while low attendance in the municipalities of Ermera (14%), Ainaro (17%), Manufahi (19%) and Oe-cusse (19%).
- High percentage of severe and moderate underweight children in the municipalities of Oe-cusse (20%), Covalima (19.40%), Ermera (19%), Lautem (16%), Bobonaro (15.4%) and Aileu (15%).

Figure 11: Average Percentage of Moderate and Severe Underweight Children under 5, Quarter 3 of 2015, by Municipality



Source : H-MIS- MoH