

Market Monitor Report

MAF | GDS | WFP RAM | Food Security Analysis

Timor-Leste | Week 31/32 2021 (2nd-15th August)

Highlights

- A significant drop in local rice prices as the main harvest nearly complete, signalling increased availability.
- Policy-wise, direct institutional purchases of local rice from local farmers by National Logistics Centre (NLC) is in progress with an overall target of around 4,000mt for stockpiling.
- Imported rice prices continue to steadily decrease reflective of the global price weakness, however, it remains above year-earlier levels.

Retail price trend of cereals

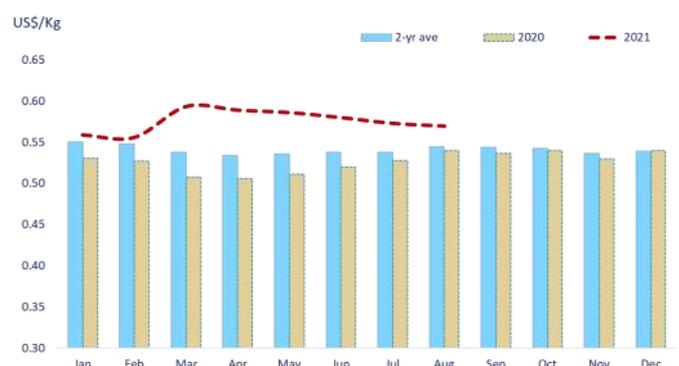
Local rice prices continued to fall on the back of increased availability as the main harvest nearly comes to an end. As of the first two weeks of August (Week 31 & 32), the national average was recorded at US\$ 1.11 per kilogram which is 3 percent lower than the previous fortnight and a further 26 percent lower than the same time last year. In terms of the historical perspective, the current price is 16 percent lower than the 2-year average.

Policy-wise, Government through National Logistics Centre (NLC) continues to buy local rice directly from the farmers. It is estimated that the programme is targeting to stockpile around 4,000 mt of local rice.

Fig. 1: Price trend of local rice (US\$/kg)



Fig. 2: Price trend of imported rice (US\$/kg)



At the national average of US\$ 0.57 per kilogram, imported rice prices are 2 percent lower than the same time last month but remain 6 percent higher than the same time last year and 5 percent above the 2-year average.

At municipality level, the lowest observed price was at US\$ 0.53/kg in Dili and highest at US\$ 0.61/kg in Lautem (MAP 2). The price increases as one heads further away from Dili, the port of entry for imported commodities. Policy-wise ALFAESA continues to monitor the prices to ensure adherence with the decree law on profit margins and quality.

The continued decrease in the price of imported rice on the domestic market is also reflective of the global price weakness as measured by the FAO ALL Rice Price Index. The Index (2014-2016=100) was recorded at 101.2 points in July 2021, down 6.6 percent from the previous month value and a further 8.2 percent below its value a year earlier. The decrease, for the Asian market, has been hampered by high freight rates and container shortages.

The price of maize grain continues to remain relatively stable and below year earlier levels, similarly, wheat prices continue to remain subdued.

Map. 1. Average price of local rice (US\$/kg)



Map. 2: Average price of imported rice (US\$/kg)



Table. 1: Price trend for non-cereals (US\$/kg)

	Current Price US\$/kg	% Change from previous period		
		2 W	1 M	1 Y
	A (wk 31&32)			
Sweet Potato	0.825	↓ -0.6	↓ -11	↓ -16
Potato	1.43	↑ 5	↑ 10.9	↑ 19
Taro	0.78	↑ 5	↓ -8	↓ -3
Beans	2.01	↓ -11	↓ -17	↑ 3
Egg	0.185	↑ 3	↑ 3	↑ 3
Chicken	3.18	↓ -4	↑ 5	↑ 5
Tomato	1.58	↑ 5	↓ -3.1	↓ -6
Onion	2.2	↓ -6	↓ -14	↑ 3
Cooking Oil	1.31	↑ 1	↓ -2	↑ 31
Chili	3.18	↓ -11	↓ -15	↑ 9
Sugar	0.96	↓ -3	↓ -2	↓ -2
Salt	0.62	↓ -11	↑ 3	↓ -13

Retail price trend of non-cereals

During the week under review, the price of non-cereals had mixed observations. Compared to the previous fortnight, a significant decrease for beans (US\$ 2.01/kg), Salt (US\$ 0.62/kg) and Chili (US\$ 3.18/kg); Sweet potatoes and cooking oil remained relatively stable while notable increase were observed for potatoes and taro (Table 1).



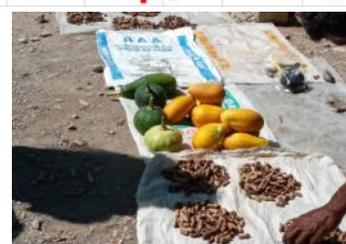
Open market-Oecusse



Open Market-Ainaro



Open Market-Oecusse



Open market-Aileu

Methodology : To monitor the impact of COVID-19 on market prices, WFP in collaboration with Ministry of Agriculture and Fisheries, and the General Directorate of Statistics collect food price data on a weekly basis across the country's main markets from 12 municipalities (Ainaro, Aileu, Bobonaro, Baucau, Dili, Ermera, Lautem, Liquica, Manatuto, Viqueque, Covalima and Oecusse). On average, around 6 traders per market are surveyed, targeted food commodities weighed, and its price averaged per kilogram. Imported rice price are based on the most consumed brand per retailers. The historical nominal rice prices are taken from the CPI database from the General Directorate of Statistics (GDS) under Ministry of Finance.