



**2013 MINISTERIAL MEETING ON
FOOD PRICE VOLATILITY
OCT 7, 2013 - ROME**

TIMOR-LESTE

**STATEMENT BY: H.E MARCOS DA CRUZ, VICE MINISTER FOR
AGRICULTURE AND FISHERIES**

Chairperson,

Excellencies,

Ladies and Gentlemen,

I would like to express my profound gratitude to the FAO and especially to the Director General, Dr. Jose Graziano da Silva for inviting Timor-Leste representative to participate in this very important meeting. I hope that this meeting will provide an unique opportunity for all of us here to exchange views and experiences on issues surrounding the level of volatility of international food prices and food security in general.

Ladies and Gentlemen.....

Nearly 50 percent of the Timorese lived below the national poverty line, estimated at \$ 1.50 per capita per day. Poverty makes people unable to feed themselves. Therefore reducing poverty and increasing agricultural production to ensure food and nutrition security are essential for development in Timor-Leste. Food security

is a national problem that affects more than half of the population but is particularly prevalent in the rural areas where agricultural resources are poor and unstable. It is influencing national safety, economic development, people's livelihood and society stabilization.

Agriculture is the main source of livelihood for over 70 percent of Timorese population. Enhancing agricultural production, productivity and rural livelihoods has been the main objective of all Governments in Timor-Leste. Investment in agriculture is a fundamental instrument to provide food and nutrition security reduces poverty, create employment, generate sustainable broad-based economic growth, ensure environmental sustainability, and achieve the Millennium Development Goals. However until now, agricultural investment has not yet produced the desired results, and therefore Timor-Leste remains strongly depended on food imports. The agricultural production remains below potential and household food and nutrition security are still unsatisfactory. The issue of food security is not so much about availability of food grains/staples but the composition of the overall food basket. As economic growth picks up, it is common to observe a change in dietary patterns where people substitute staple food with high-value food.

Ladies and Gentlemen....

Please allow me to mention about changes of staple food patterns in my country. Traditionally, Timorese used to eat different varieties of food crops that were grown in different seasons and based on local climate including different grains, tubers, beans, vegetable and protein for animals. But today, Timorese eat less variety in food crops and moreover there seems to have been a major change in staple food consumption patterns (from maize-based to a rice-based diet) as rice

has become readily available due to private and public sector importation.

Therefore, it is not surprising that Timor-Leste is one of the countries that have been and will be affected by food price volatility as we rely heavily on importation to meet country food demand as well as demand for seed and other agricultural inputs for increasing agricultural production and productivity in the country.

The demand for staple food is growing quickly as the population continues to grow. With population of over 1 Million and based on annual consumption of 100 KG/pp/year, Timor-Leste requires approximately 115,000 MT. However a more recent analysis of staple food supply and demand indicates that food consumption patterns are changing rapidly and are not only influenced by the current rural-urban population drift but also increase in rice consumption by younger people as they mature. This situation will increase food demand especially rice and it has been estimated that by 2030, Timor-Leste will need to supply 193,500 MT of rice to feed its growing population.

Distinguished Participants...

Food availability is the component that is closely linked to agriculture. Availability of food depends upon a combination of factors such as domestic production, trade and stocks.

Climate change affects not only agricultural production systems and thereby food availability, but also people's ability to access to food which in turn has implications on nutritional concerns.

It is recognized that the availability of staple food is not a sufficient condition to ensure food security of the poor. It is also necessary that the poor have sufficient means to purchase food. The capacity of the poor to purchase food can be ensured in two ways – by raising the incomes or supplying food grains/staple at subsidized

prices, and by implementing income generating projects and programs.

Accessibility to food is conditioned by income levels, purchasing power and social safety nets (income supplementation, price support, direct food transfer etc.).

To achieve our primary goals of food security by 2020, we will improve our farming practices and take action to boost the production of specific crops. We are contributing to great progress of increasing food crop production and productivity by investing in agriculture infrastructure, quality seed, agricultural extension agents, and by introducing new technologies, machinery, irrigation support, fertilizer, drugs, pesticides, nets, boats, and technical assistance in land preparation and rehabilitation of plantations, as well as enacted a number of policies and legislations. I would like to also mention here that with the support of FAO, the Government of Timor-Leste is currently reviewing its food and nutrition security to address the current need especially to guide the country in providing better opportunities for every Timorese to participate and engage in the aspect of food security and nutrition.

Chairperson, Director General and distinguished participants...

Before ending my statement, I would like to thank the FAO, the Director General for convening this ministerial session to address the issue of the price volatility of agricultural commodities. I am looking forward to getting continuous support from you to help my country to address food security and to generate income for the rural poor. I strongly believe that through collaborative efforts, we can support each other to address food price volatility and global food security issue.

Thank you for your kind attention!

Marcos da Cruz

Vice Minister