Comments from La’o Hamutuk regarding the proposed 2013 State Budget for the sector “Agriculture, Forestry and Fisheries”

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We appreciate the increase in the budget allocated to the “agriculture, forestry and fisheries” sector compared to past years. For 2013, the Ministry of Agriculture and Fisheries’ budget ($24.176 million) increased more than 44% compared to last year ($16.787 million). Funds from the Infrastructure Fund allocated to the “agriculture and fisheries” sector also increased slightly, from $9.228 million in 2012 to $9.953 million in 2013.

However, if we consider Timor-Leste’s economy globally, we notice that the primary sector growth has been declining, as has its share in the non-oil GDP. Data for 2010 indicate that the “agriculture forestry and fisheries” sector accounts for 21.4% of the non-oil GDP, compared to 30.6% in 2006 (GSB Book 1, Table 2.3.2.2.1). Although the 2013 budget for agriculture went up, it is still very low compared to other sectors, still representing less than 2% of the State Budget. Funds from the Infrastructure Fund allocated to the “agriculture and fisheries” sector still accounts for a small part of the total program (less than 1.5%). As the majority of the poor live in rural areas and depend on agriculture to sustain their living, any policy aiming at reducing poverty should give priority to this sector. In addition, wise investment in this sector has the potential to diversify Timor-Leste’s economy, reduce import dependency, improve nutrition, etc.

The small budget allocated to the agriculture and fisheries sector, inadequate in view of its needs, allows other actors to influence Timor-Leste’s policies. For example, in the seed sector, which is strategic as the basis of food production, Timor-Leste’s Government allocates $3 million to buy seeds. But at the same time AusAID project “Seeds of Life” provides funds to the Ministry of Agriculture and Fisheries (MAF) equivalent to $5.175 million for the year 2013 (the total budget of the project reaches $34.104 million, Book 5 OGE p.60). As a result, from La’o Hamutuk’s observation, “Seeds of Life” has exercised a strong influence in the decision to introduce new seed varieties in the country, and more recently “Seeds of Life” staff have even been directly involved in the processes of drafting Timor-Leste Seed Policy and Seed Law. We noted that MAF doesn’t have the capacity to monitor and evaluate correctly this project.

The Ministry of Agriculture and Fisheries doesn’t only face a budget problem, but also lacks a clear sustainable policy and vision. The Timor-Leste Government promotes a high-cost and high-input agricultural development model that requires the import of tractors, seeds, chemical pesticides and fertilizers; and its strategy to achieve food security is unbalanced.
In the budget of MAF for this year (2013), $3.497 million (more than 14.4% of MAF total budget) will go to fuel and vehicle maintenance and operation, including more than $2 million to tractors unsuitable for Timor-Leste’s topography and the financial and technical capacity of Timorese farmers.

Chemical inputs (fertilizers and pesticides) will get $600,000, despite the significant potential to use waste to produce compost (instead of polluting waste incineration) and to explore sustainable, environment-friendly techniques. In contrast, only $30,000 are allocated to the item “local compost”.

The Government is too focused on introducing “improved”, “high-yielding” or hybrid seeds (cf. “Seeds of Life” project and Hybrid rice program supported by China government) which are expensive, require specific attention or input, cannot be stored for a long time and don’t give better production results than local seeds already existing in Timor.

In its effort to achieve food security, the Government prioritize increasing yields through extensive use of input instead of considering more important factors like improving food and seed storage efficiency, education on nutrition, food diversification, soil conservation and regeneration to increase fertility, access to consumer/producer problem, rural infrastructure (irrigation, etc.), training to farmers on best practices, etc.

It seems that in 2012, the production of rice and maize should (between them) exceed domestic consumption (Book1 OGE p.17), so it must be recognized that food security issue is more than a question of yields or production.

Timor-Leste Government doesn’t give the Livestock and Fisheries sectors the attention they deserve, despite their great potential to improve nutrition in our country. These two sectors get respectively $925,240 and $123,515 from the budget allocated to “operational material and supplies”, plus $52,000 and $51,000 from the budget allocated to “operational services.”

La’o Hamutuk believes the Ministry of Agriculture and Fisheries should promote a “low-cost” and “low-input” agricultural development model, not the “green revolution” model from India promoted by the Strategic Development Plan, because this model has already proved to be unsustainable. Timor-Leste should learn from the experience of other countries including India, which today faces huge social and environmental problems: farmers commit suicide because they cannot repay the loans they contracted to buy inputs; water sources and soils are polluted by chemical pesticides and fertilizers; local seed varieties disappear at the benefit of standard industrial seeds.

The Ministry of Agriculture and Fisheries should also better define its priorities. To “promote economic growth” is not a relevant priority, as economic growth doesn’t mean or necessarily lead to poverty reduction or increase in well-being. Economic growth can sometimes be a means to achieve development but it must not be a goal. A global approach should also be adopted when dealing with issues, in order to design coherent policies. For example, any policy aiming at promoting local food production should be supported by measures reducing food imports and promoting food consumption; MAF (and all other Ministries) policies should be aligned with the broader objective to protect the environment, etc.