



Harvest Time for Timor-Leste's First Locally-Grown Rice Brand

Acelda

From pioneering the first locally-packaged rice for Dili's supermarket shelves to improving safety for female rice-sellers and farmers.



The Company

Acelda is a Baucau-based company that specialises in processing candlenut into candlenut oil and exporting it to international markets. Acelda also sources other commodities including local rice, but volumes are low and used primarily for the intermittent government buyback programs in the area.



The Context

There are few agribusinesses operating in Timor-Leste, with correspondingly limited investment by the private sector to develop supply chains for local products. This means that imported goods dominate the market and it is challenging for local businesses to process and market their products to compete.



The Challenge

Markets where farmers can sell their produce depend upon unpredictable buyers, who purchase in irregular volumes. This has led to the belief that organised and intensive agriculture is not a commercially attractive livelihood, so farm productivity hasn't increased, and the majority of the production is kept for personal use.

This mindset is a serious obstacle to the 64 per cent of the population engaged in agricultural activity as their primary work. Additionally, travelling to markets is time-consuming, and women often find this particularly challenging as it reduces their time spent on other productive activities.



The Solution

Increasing farmers' access to reliable and less costly markets acts as an incentive to increase their production and in turn, earn additional income. In 2013, MDF partnered with Acelda to establish a modern rice milling facility for processing and packaging locally sourced rice to compete with the imported products. Additionally, MDF supported with the design and implementation of an effective marketing campaign for the locally branded 'Fos Timor'. To begin with, supermarkets were sceptical about the more expensive, local product. But within a year and a half, Acelda had secured distribution agreements with eight supermarkets.

The drought of 2016 prevented farmers in Baucau and Manatuto from growing surplus rice. To combat the shortfall, MDF signed an amendment to help Acelda source rice from another district. This solution has resulted in Acelda increasing the areas that it sources rice from.

Following an anonymous taste test conducted in 2015 with MDF's support, it was established that although customers generally liked Fos Timor, 4-6 grains in every 100 were broken. Broken grains were caused by poor post-harvest handling by the farmers, which it was established was mainly done by women. In another contract amendment MDF supported the development of embedded training services for women and men tailored to their roles in the rice production process.

The Results

Between 2013 and 2018, farmers:



Increased the land area used for rice farming by

30%



Increased the amount of rice they harvested to sell from 4% to

39%



Increased earnings from rice sales from USD 37 to

USD 163

This intervention led to increased sales of paddy, which in turn resulted in increases in household incomes. There were also some unintended benefits for women, who play an active role in most aspects of rice production. As a result of this intervention women stated that they were consulted more frequently around the hiring of labour, which represents a positive shift in women's decision-making power within households. This intervention also made it easier and safer for women to sell rice, as they could sell directly at their farm gate, rather than needing to go to the market.