

From capital to countryside

How a stronger input supply network is reaching more Timorese farmers

The fast read ●●●



Productivity in Timor-Leste's agriculture sector is low, partly because of limited access to inputs and information, especially outside Dili.



MDF and partners have built a nationwide agri input supply network, supporting retailers to expand into rural areas and linking them directly with importers.



Better access to inputs has increased farmers' incomes and climate resilience; women are expanding production more readily.



The market system is growing as private retailers and international firms invest in expansion and businesses invest more in extension services.



A tomato farm benefiting from improved seed varieties.



Market context

Agriculture is the primary means of support for many Timorese households, with nearly two-thirds engaged in the sector as smallholders. Despite its potential to drive inclusive growth, investment and productivity remain low. Timor-Leste has an annual average rice yield of 2 tonnes per hectare versus 5 tonnes in Indonesia.¹

The limited use of agricultural inputs, such as fertiliser, improved seed varieties and plant protection products, is a key constraint. Based on the 2019 census, a mere 6 per cent of Timor-Leste's 141,000 agricultural households use fertiliser or plant protection, and just 20 per cent plant improved seed varieties.

The narrow range of inputs gives farmers few choices. Moreover, available inputs are often concentrated in Dili, leaving rural

areas underserved by weak retailer distribution networks. Farmers, particularly those outside the capital, have limited knowledge of inputs – few understand how to use them or their benefits.

As a result, domestic agricultural production remains below potential, impacting food security and increasing reliance on imports. The lack of inputs also worsens crop vulnerability to extreme weather events like droughts and floods.

¹ Global Yield and Gap Analysis.



Catalysing change: MDF and partner innovations

Since 2015, MDF has co-invested with business partners in a series of innovations to catalyse change in the agri-input market system.

→ Making inputs – and information – more available in municipalities

MDF adopted a dual strategy to expand farmers' access to quality agricultural inputs. First, MDF supported 3 local agricultural input retailers to open outlets in high-potential farming areas, where input importers had initially been hesitant to expand. The retailers were then linked to the importers to ensure timely supply of inputs.

Based on this success, MDF worked with agri-input importers to establish a nationwide retail network. As a result, an additional 31 retailers now operate across Timor-Leste. Importers have also transformed their business model to deliver inputs directly to the retail outlets, investing in strengthening retailers' technical capacity and supporting their marketing.

These interventions have improved last-mile availability, saving farmers considerable time and travel costs. For example, one retailer in Ainaro supplied over 170 farmers, eliminating the need for a 6-hour round trip to Dili and generating USD39,000 (AUD59,500) in additional sales over two years. Both retailers and importers also worked with MDF to invest in building the capacity of extension workers to provide technical assistance to farmers.

→ Linking with international agri-input firms

As more inputs became available and sales increased, importers and MDF identified an opportunity to improve timeliness and secure better pricing. They ordered directly from international manufacturers instead of through middlemen distributors.

In 2023, MDF organised a partner visit to key sourcing hubs in Indonesia, allowing Timorese importers to meet with distributors of seeds, fertiliser, crop protection products and other inputs. During these visits, the importers engaged with technical staff from companies such as Primasid and East West Seed, building important business links for future transactions.

At first, none of the input manufacturers were interested in establishing direct distribution in Timor-Leste. But, gradually, rising import volumes shifted their perceptions and interest grew. In July 2025, MDF supported 3 importers to attend the Inagritech Expo in Jakarta and visit 10 Indonesian agricultural input manufacturers producing seeds, fertilisers, pesticides, herbicides, pharmaceuticals and agricultural machinery.

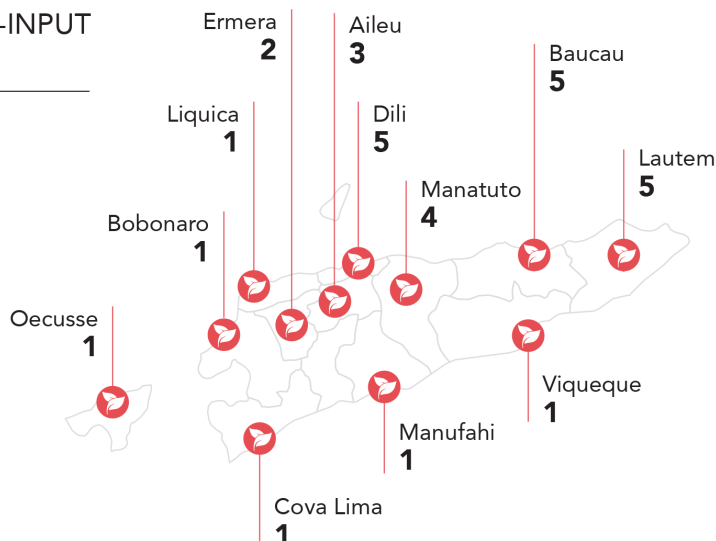
This visit, alongside two years of steady order volumes, may have been the tipping point that sparked the manufacturers' interest. CV Saprotan Utama, a leading fertiliser company known for its Pak Tani brand, is currently in discussion with MDF to conduct demonstration plots for rice, maize and horticultural produce. Similarly, PT Nufarm, a subsidiary of Nufarm Australia, conducted a Timor-Leste market assessment in November 2025, and expressed interest in showcasing its products and hiring in-country technical staff to provide extension services.



Timor-Leste has
seen an increase
in agri-input
retailers over the
past few years

TOTAL AGRI-INPUT RETAILERS

30



→ Collaborating as an industry: From an association to a joint venture

During its early days working in the market system, MDF identified the need for a collective voice to advocate for the nascent input industry. In 2016, MDF supported the establishment of Asosiasaun Negosiantes ba Sasan Agrikultura Timor-Leste (ANSATIL – Retailers Association for Agricultural Products), a national association of 17 agri-input retailers from 10 municipalities. MDF facilitated initial meetings, developed the constitution and membership structure, and supported advocacy efforts, but ANSATIL became inactive during the pandemic.

In 2023, members revived ANSATIL and collaborated to purchase inputs in bulk to reduce costs and improve access. For example, a joint purchase of fertiliser saved retailers USD1,350 (AUD2,060). This showed the potential of working together in an early-stage market like Timor-Leste.

When, in 2025, collective action through the association stalled, 3 of the most active firms adapted by creating a commercial joint venture. The company recently imported a container of fertiliser directly from CV Saprotan Utama, saving approximately 15 per cent of the cost compared to previous purchases made through third-party suppliers.

“Thanks to MDF, we now have direct access to CV Saprotan Utama’s products from the company itself, rather than through distributors. This allows us to gain additional value such as technical assistance, more competitive prices and a shorter supply chain.”

Nilton Aniceto,
Owner, Agi Agricultura



Impact and signs of systemic change

→ An expanding market

Driven by strong farmer demand, the market for agri-inputs has grown over the past 7 years. Alongside the increased availability of inputs, farmers can choose from a wider selection of products from different manufacturers – leading to healthy market competition.

For example, in October 2025, Casa Agricultura partnered with prominent Indonesian manufacturer Gold Coin to import two containers of poultry and pig feed. This market disruption drove down prices of other feed brands from USD45–50 (AUD67-75) per 50kg bag to USD40 (AUD60) per bag.

Table 1 Agri-input imports to Timor-Leste

Input type	2017 (USD)	2024 (USD)	Avg annual growth (%)
 Animal feed	498,000	4,104,000	103
 Fertilisers	128,000	155,000	3
 Herbicides & pesticides	–	391,000	–
 Machinery, equipment & tools	2,037,000	3,200,000	8
 Seeds	10,000	27,000	22

Source: Timor-Leste Customs Data.

Note: Official figures probably underestimate market size due to grey market trade across the border with Indonesia, which official statistics often do not record.

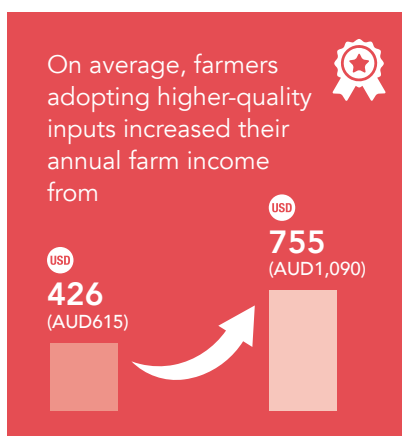
→ More inputs available in rural areas – women farmers also benefit

The expansion of Dili retail networks to over 30 outlets nationwide has improved farmers' access to inputs, especially in remote municipalities.



Farmers responded to improved product availability: locally purchased inputs surged from 17 pre-2024 to 81 per cent by the end of 2025, with purchases concentrated around the areas in which new retailers had set up shop. With inputs closer to home, women are expanding production more readily, saving on transport costs and channelling additional income into household needs and children's education. Another benefit of easier access is having more time for family and to rest.

→ Higher incomes and greater resilience



Greater revenue has more than offset the additional capital cost of investing in better inputs. Farmers



ee *Planting different vegetables gave us a good income to pay school expenses and buy food. Now, with retailers opening in our village, we can purchase seeds and equipment locally, saving time and effort.*

Terezinha da Silva,
Farmer, Timor-Leste

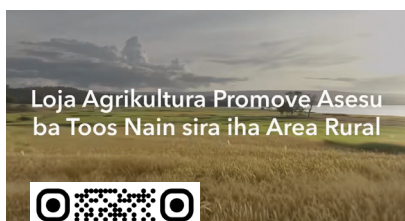
also report overall crop gains, such as higher germination rates and increased vegetable production: using improved seeds and other inputs (crop protection, fertiliser, tools, etc.) have expanded the average number of planting beds from 5 to 14.

Having easier access to inputs has also strengthened farmers' climate resilience. It enables timely planting and continuous production despite erratic weather, strengthening food security and expanding vegetable cultivation. Women have been central to this transformation: they lead decisions on selling produce and income use as they manage harvesting and engage directly with buyers.

→ Improving farmer knowledge

Farmers are increasingly more aware of the agricultural products available and their proper use, through a growing network of private sector-led initiatives. Importers, retailers and international firms are investing in building technical capacity, product demonstrations and advisory support to create new pathways for farmers to learn about fertilisers, pesticides and improved technologies. This complements government-led extension services by expanding coverage, diversifying sources of information and ensuring that farmers receive timely, product-specific guidance.

Retailers, such as Agi Agricultura, Casa Agricultura and Hyutmeran, have trained their staff and developed practical manuals to guide farmers in applying inputs correctly and safely. International companies like PT Nufarm and CV Saprotan Utama are going further by hiring local extension workers, organising farmer discussion groups and offering on-farm technical support.



Scan/click to watch
MDF's video on
expanding access
to agri-inputs

→ Opening opportunities for entrepreneurship and jobs

The rise of municipal retailers has created new business opportunities for local entrepreneurs in retail, logistics and technical advisory roles, contributing to rural economic development.

As Timorese farmers increasingly use agri-inputs, the market has room to grow. New input manufacturers adding to competition, retailers further expanding their networks and businesses investing more in extension services would lead to a more climate-resilient agriculture sector. Higher adoption rates of agricultural technology, such as drip irrigation and mechanisation, would improve the quality of produce and labour productivity.



In Manatuto Municipality, 31-year-old Sabina dos Santos runs a shop specialising in agri-inputs and generates profits from selling herbicide, which is in high demand during the dry season.

Her shop saves farmers long trips and provides her with a steady income of _____

USD 100–150
(AUD156–235)
per month

supporting her household.



A motorised tiller used to prepare soil for planting.