



Food Prices Swings: the Case of Mozambique

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African Countries
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Organization of the presentation

- Introduction
- What is happening?
 - Price trends
- Source and flow of commodities
 - Domestic production
 - Cross border trade (imports and exports)
- Government policies

Introduction

Commodities to be covered: maize, rice, and wheat

Food expenditure share (%)

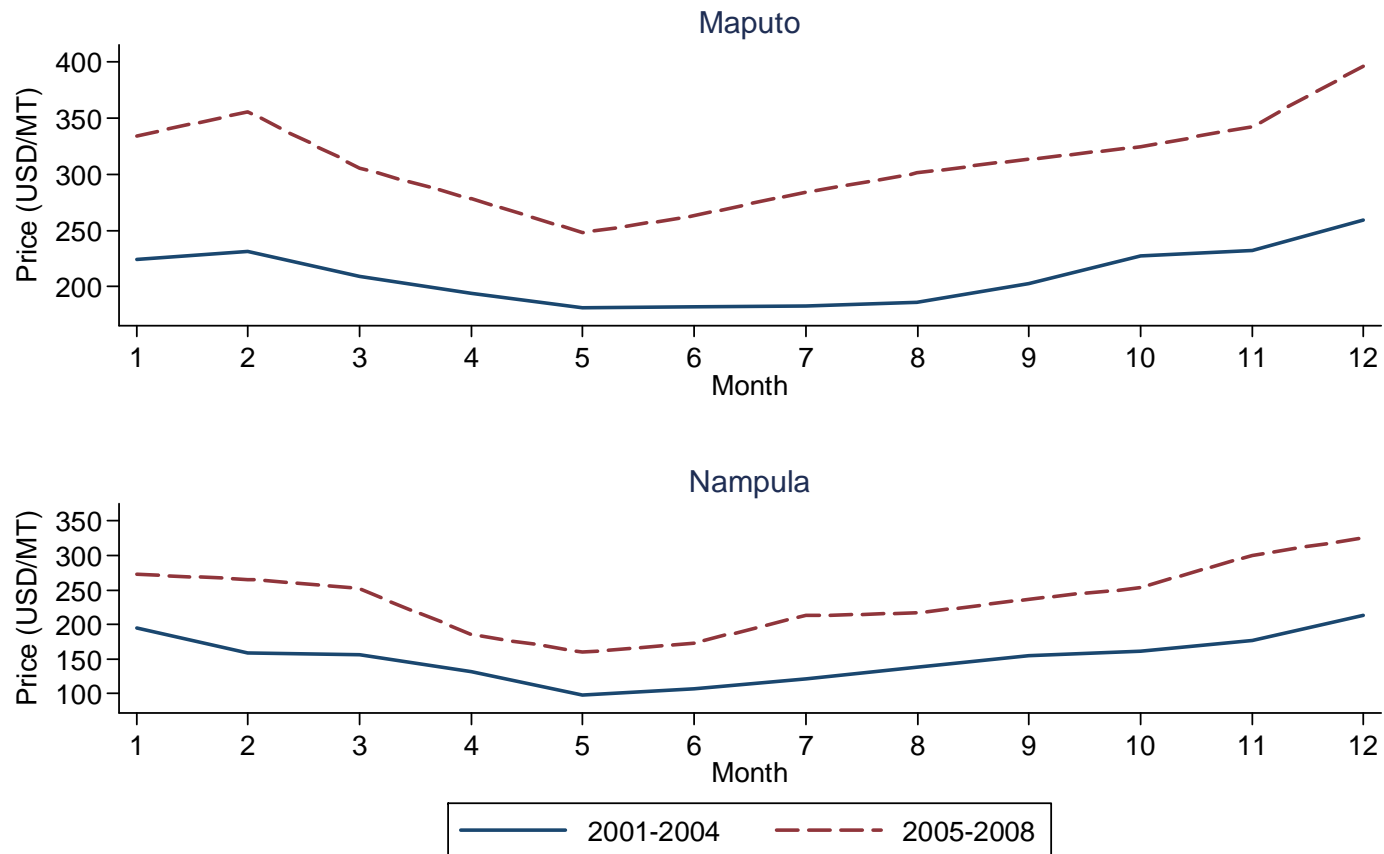
		North	Central	South	Total
Rice	2002/03	13.8	13.6	13.1	13.6
	1996/97	4.0	4.8	8.8	5.4
Wheat	2002/03	5.4	5.3	9.4	6.1
	1996/97	1.1	1.1	6.9	2.3
Maize	2002/03	19.0	24.0	13.8	20.0
	1996/97	25.1	24.5	18.6	21.6

Markets to be analyzed: Maputo and Nampula

Limitation: cannot measure quantitatively impact to producers, consumers and Government (need to estimate price transmission elasticities)

Seasonality in Market Prices

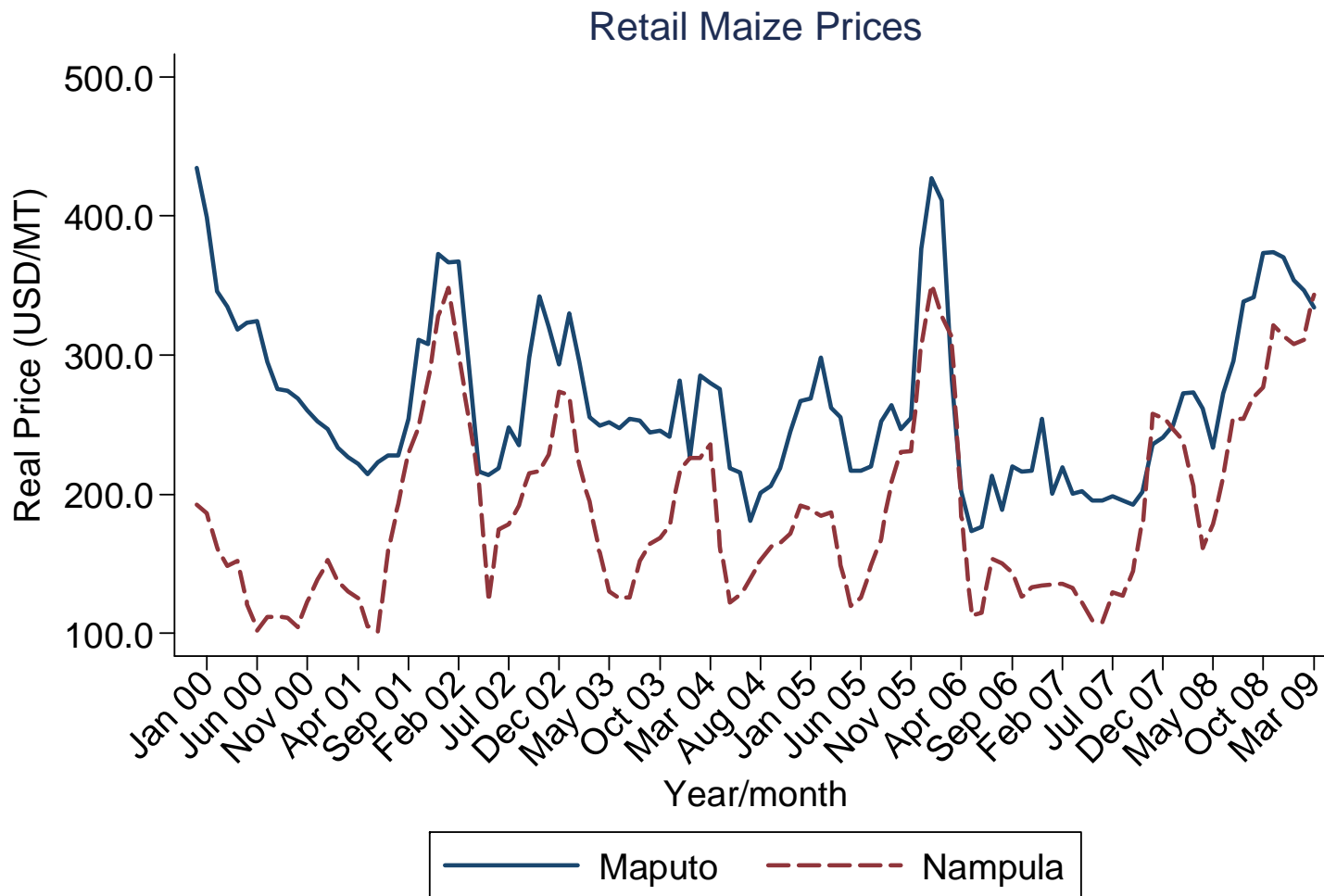
Average Monthly Retail Maize Prices for Two Period



Source: SIMA

Monthly real maize price trends, 2000-2009

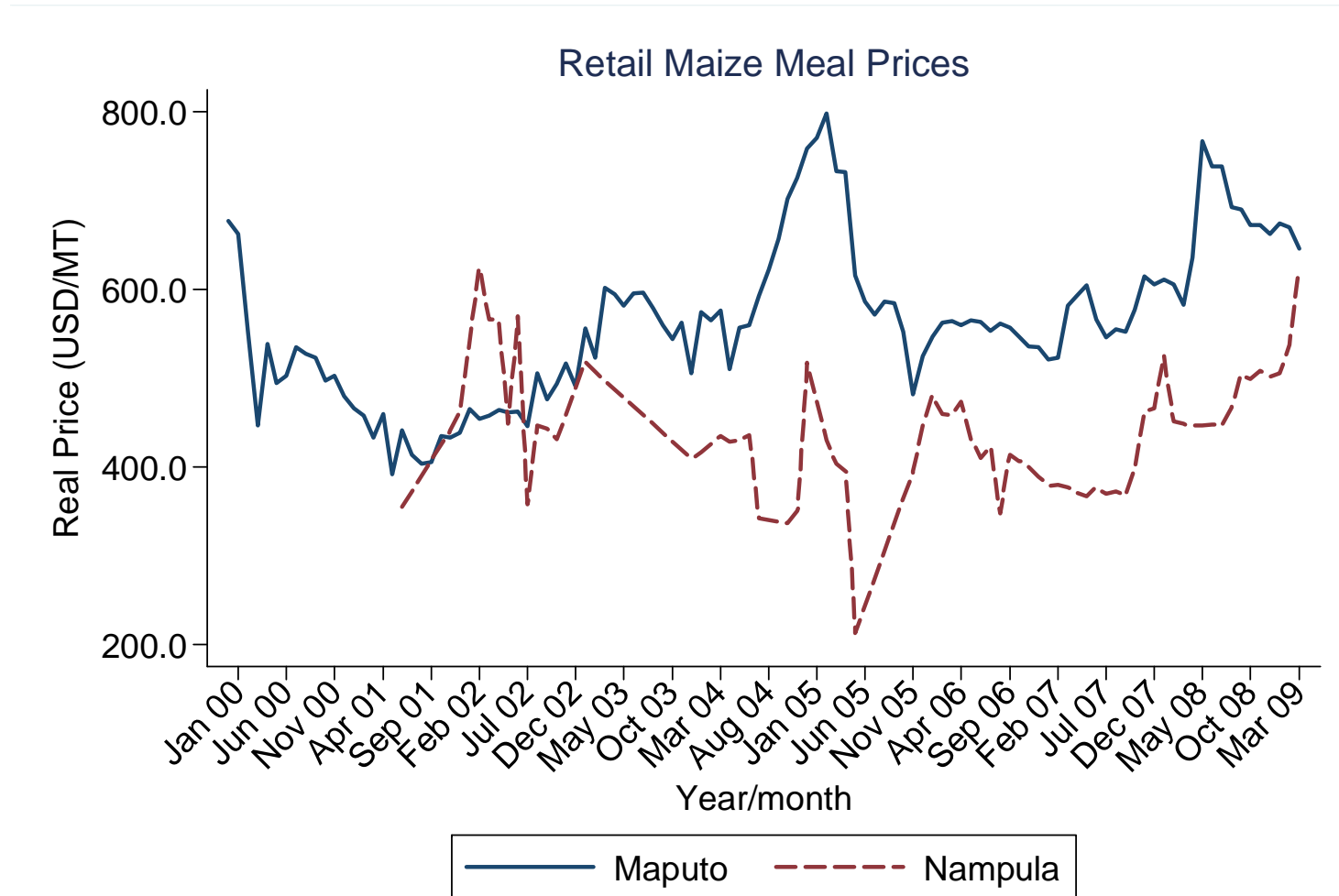
Maputo and Nampula



Source: SIMA

Monthly real maize meal price trends, 2000-2009

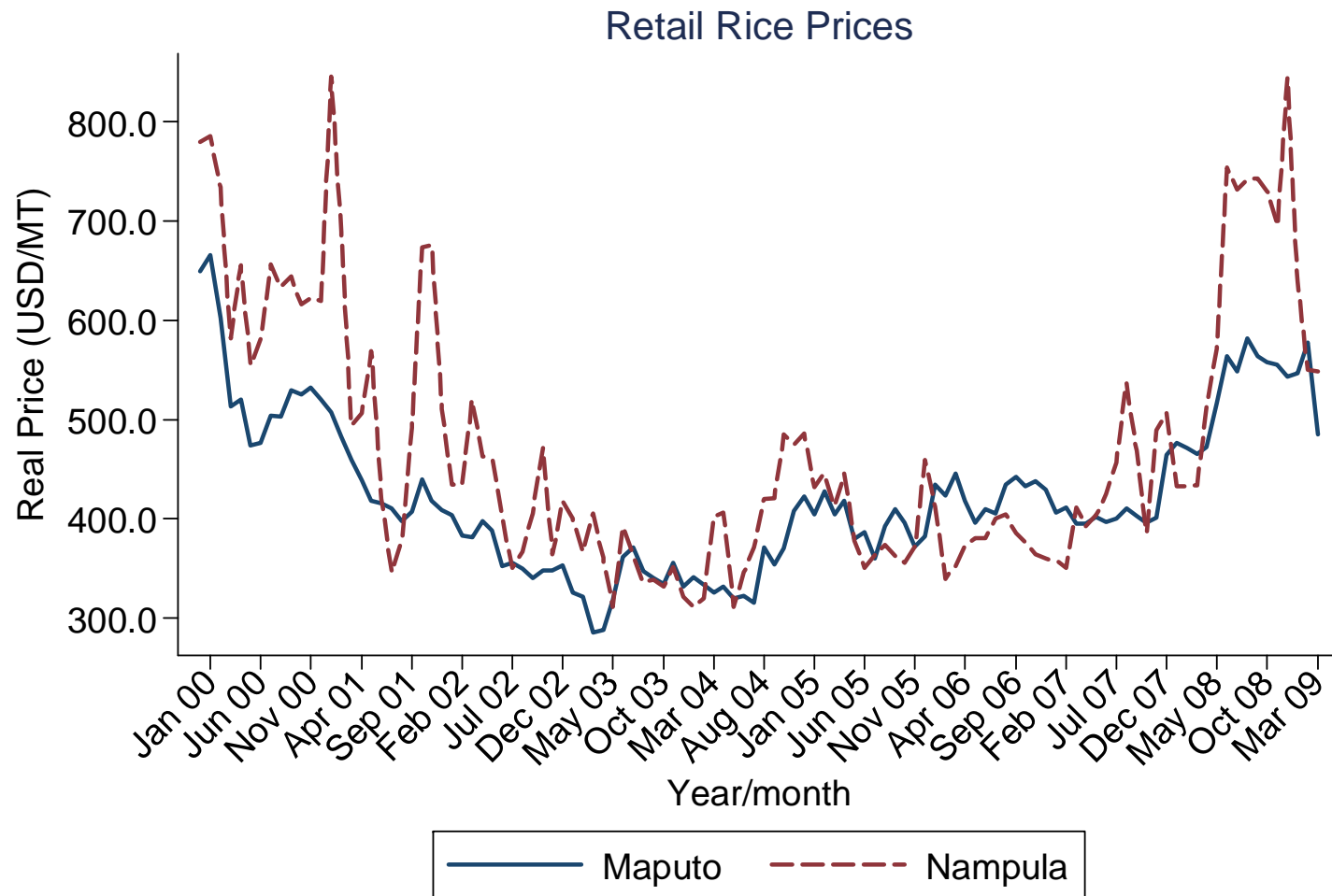
Maputo and Nampula



Source: SIMA

Monthly real rice price trends, 2000-2009

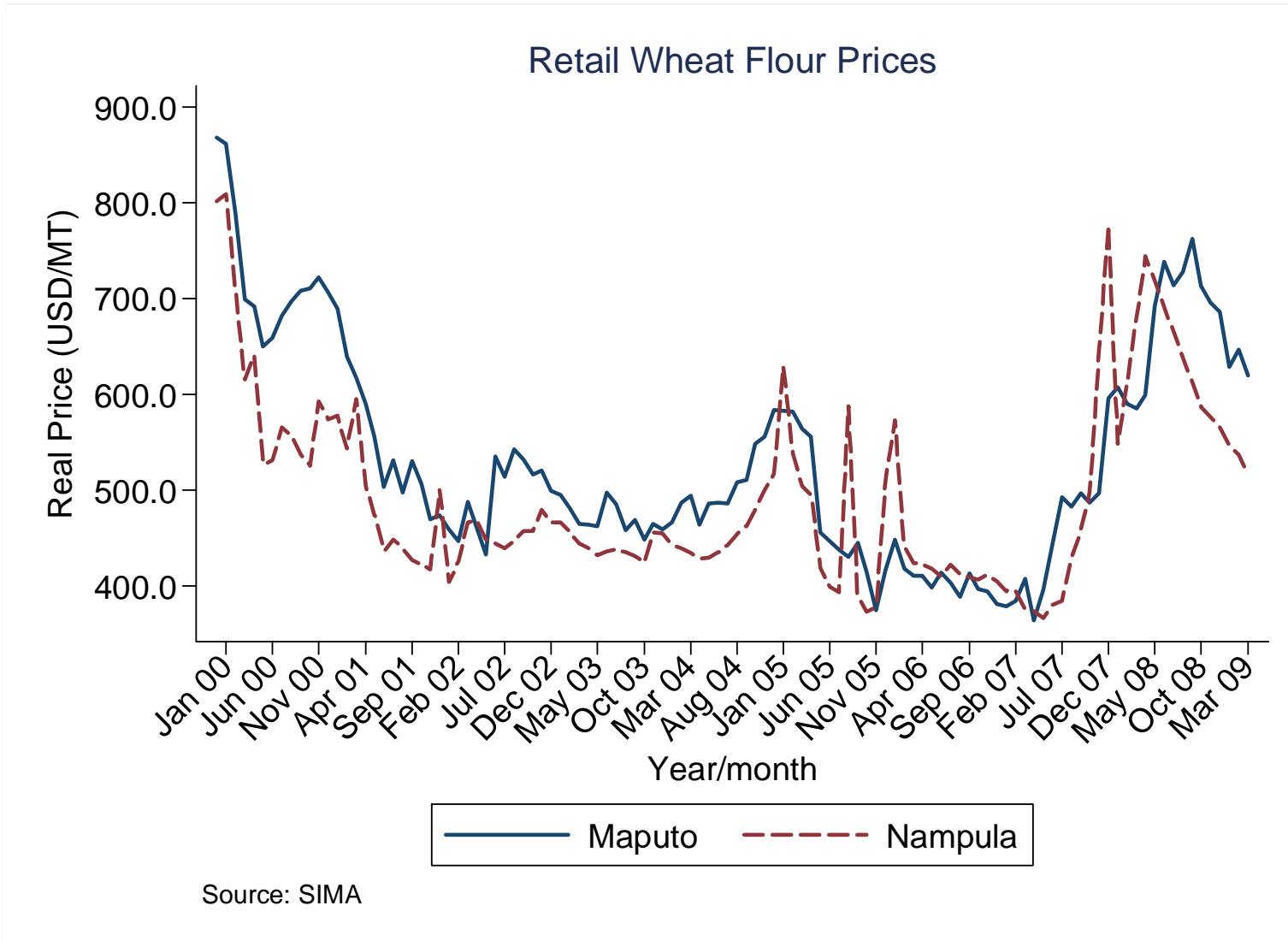
Maputo and Nampula



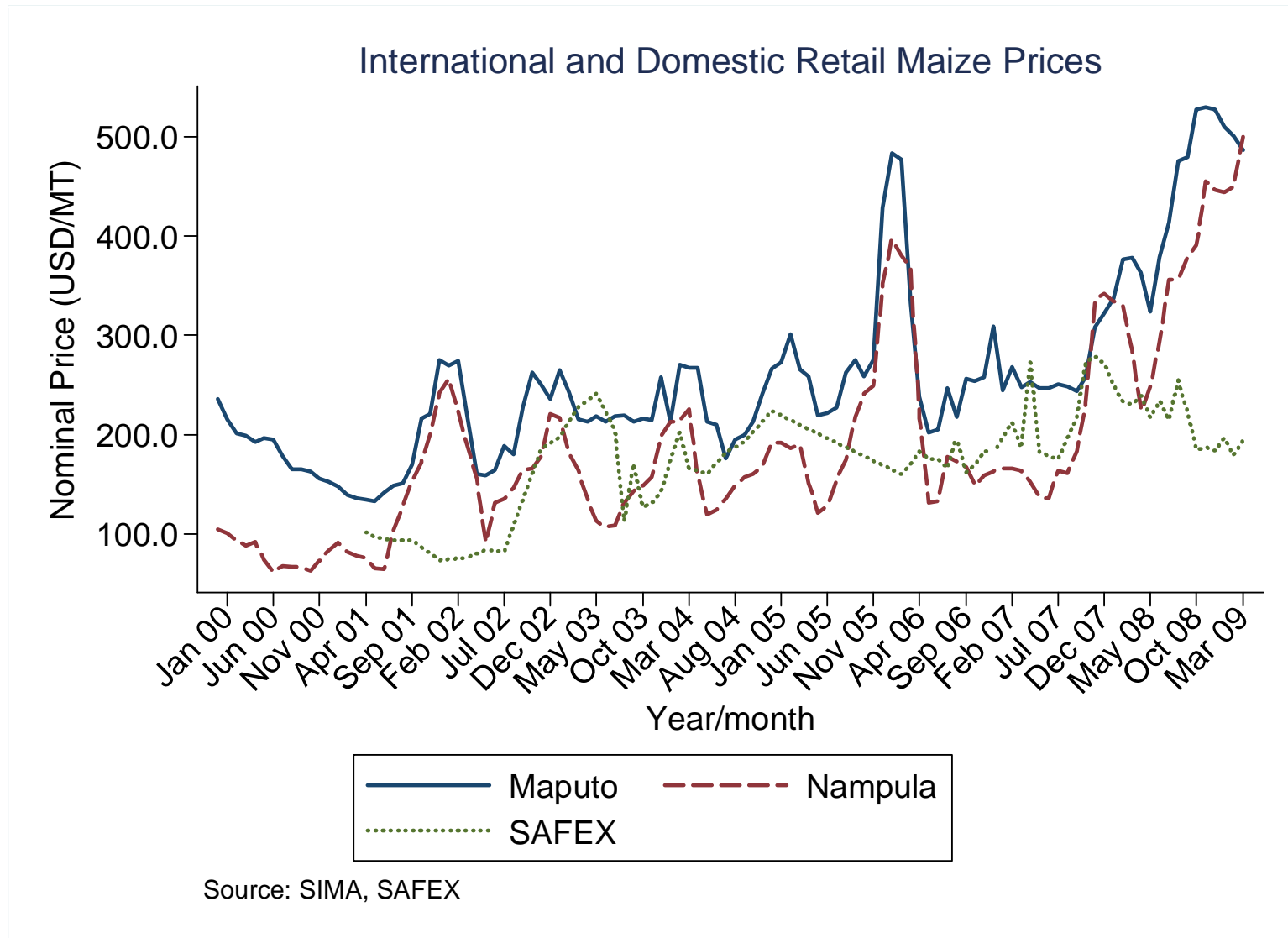
Source: SIMA

Monthly real wheat flour price trends, 2000-2009

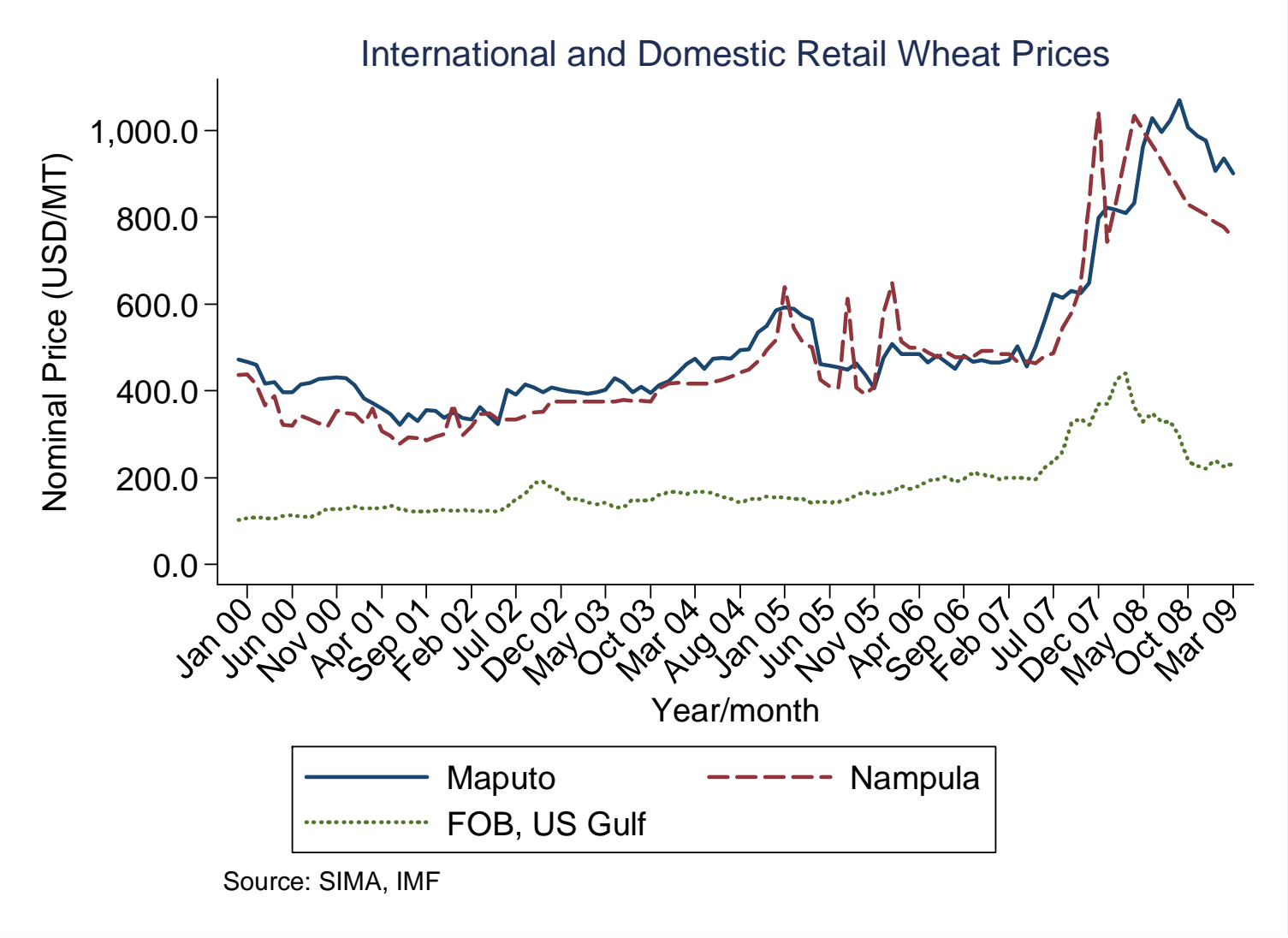
Maputo and Nampula



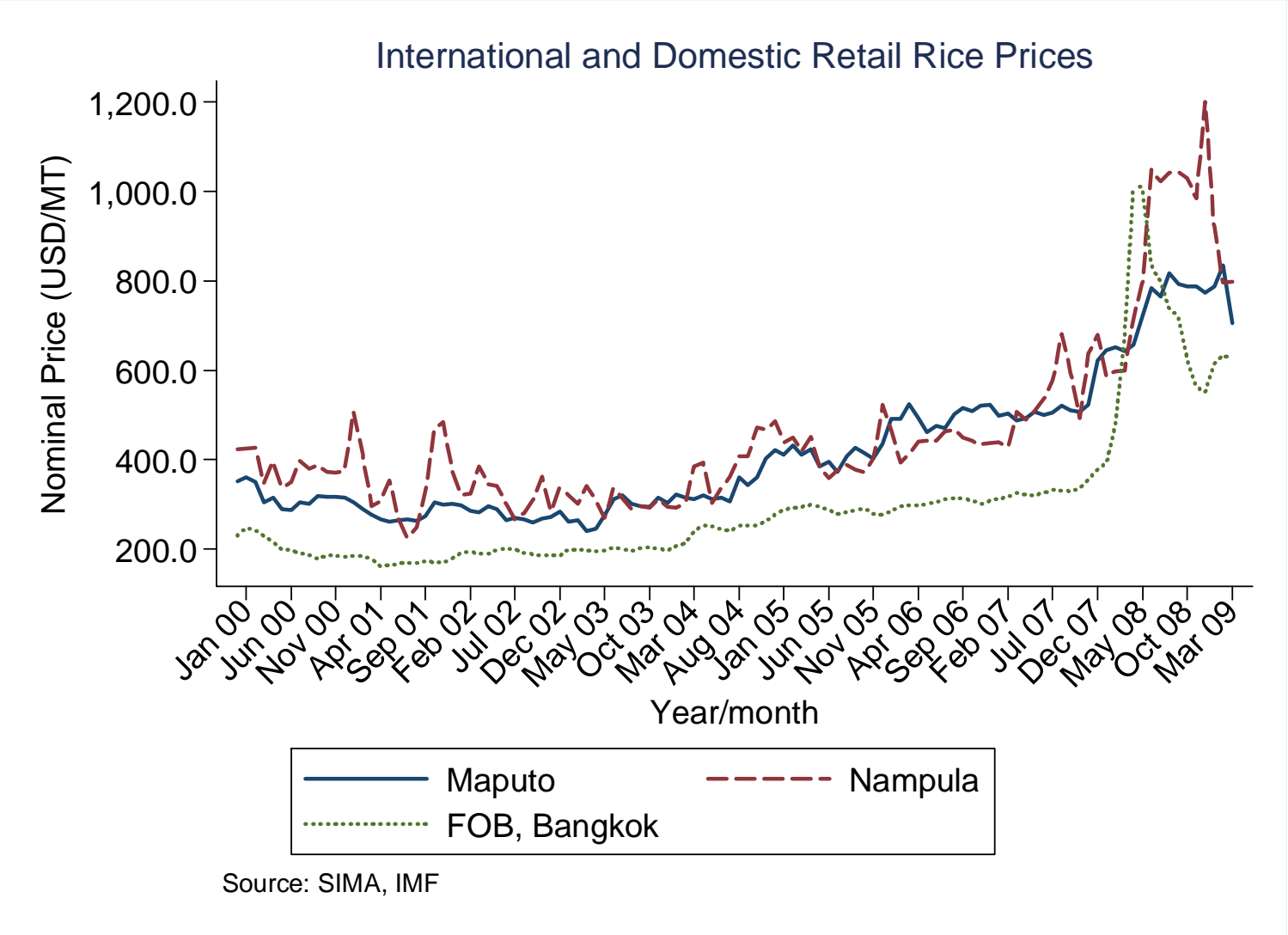
International and domestic monthly retail maize prices



International and domestic monthly retail wheat flour prices



International and domestic monthly retail wheat flour prices



Source and flow of commodities



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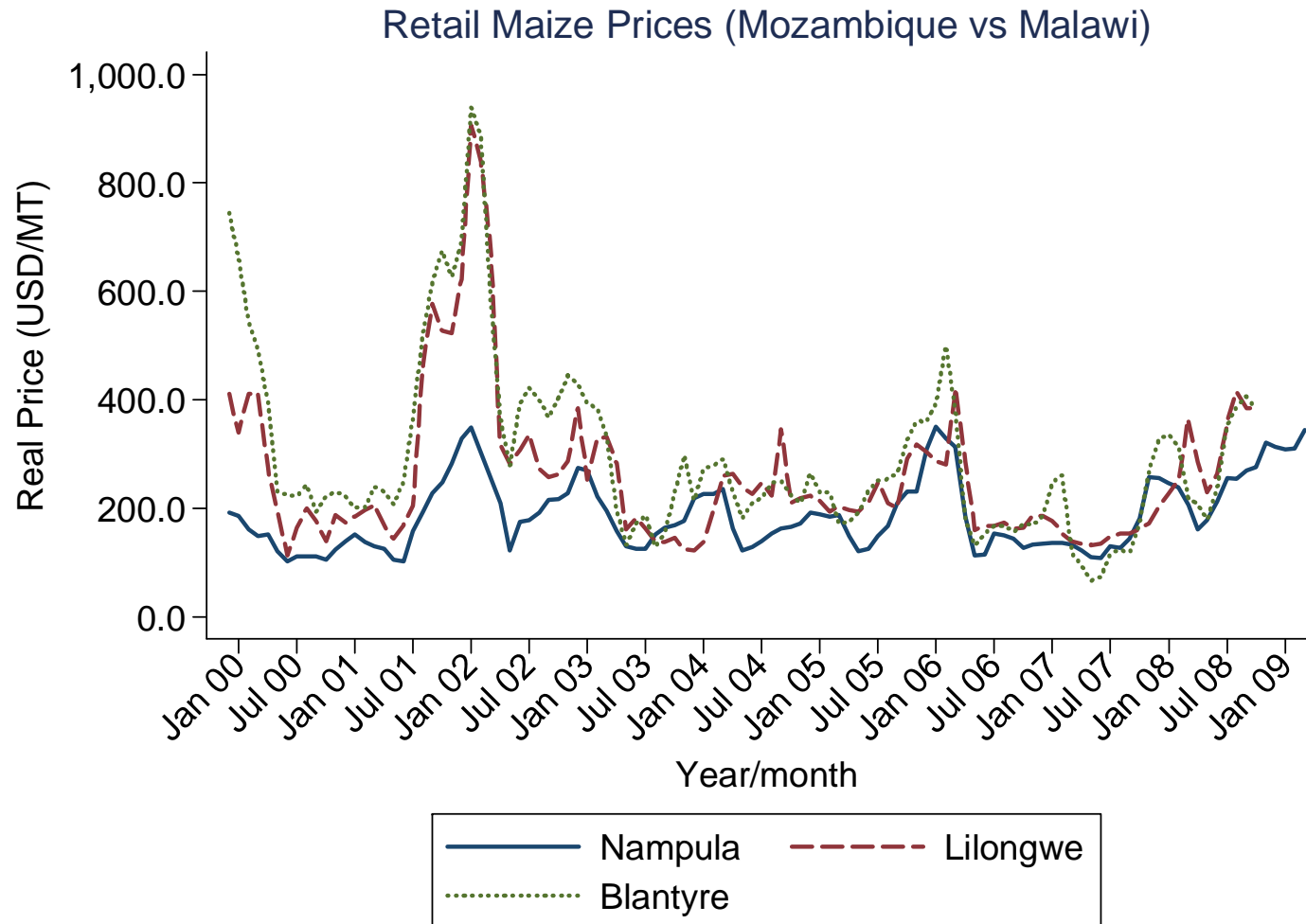
Informal cross border maize trade (MT)

Source	Destination	Total			
		Total 04/05 Season	Total 05/06 Season	06/07 Season	Total 07/08 Season
Mozambique	Malawi	71,229	71,218	77,394	56,078
Mozambique	Zambia	0	49	1,269	2,113
Mozambique	Zimbabwe	2	5	2,085	11
Malawi	Mozambique	0	133	591	3,755
Zambia	Mozambique	0	55	2	0
Zimbabwe	Mozambique	0	85	294	129
Total traded (MT)		71,231	71,545	81,635	62,086

Source: FEWSNET

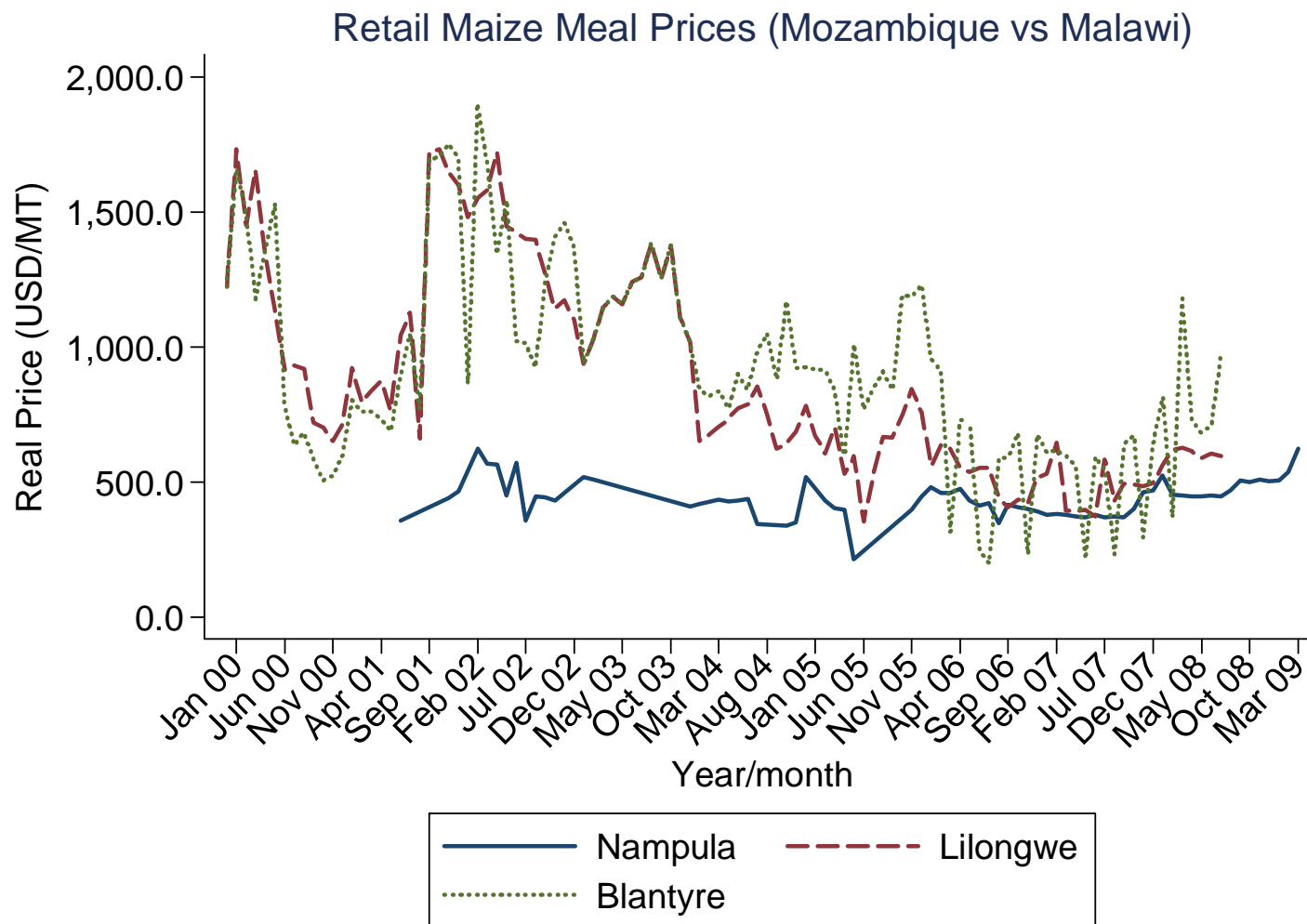
Monthly real maize price trends, 2000-2009

Nampula and Malawi



Monthly real maize meal price trends, 2000-2009

Nampula and Malawi



Government responses

- Green revolution strategy
 - Increase in agricultural productivity
- Action Plan for Food Production (PAPA)
 - Promoted commodities: rice, maize, wheat, Irish potatoes, sunflower, soybean, cassava
 - Storage
- Import duties (VAT)

Government responses

- No government parastatal controlling commodities flows
- Investment funds (FIILs)
 - Promote food production and employment generation
 - Lack of local capacity for administering the funds

What shall still be done?

- Regional integration
- Fitosanitary measures

THANK YOU!