



Food Prices Swings: the Case of Mozambique

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Policies for the Effective Management of Food Prices Swings in
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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 (%)

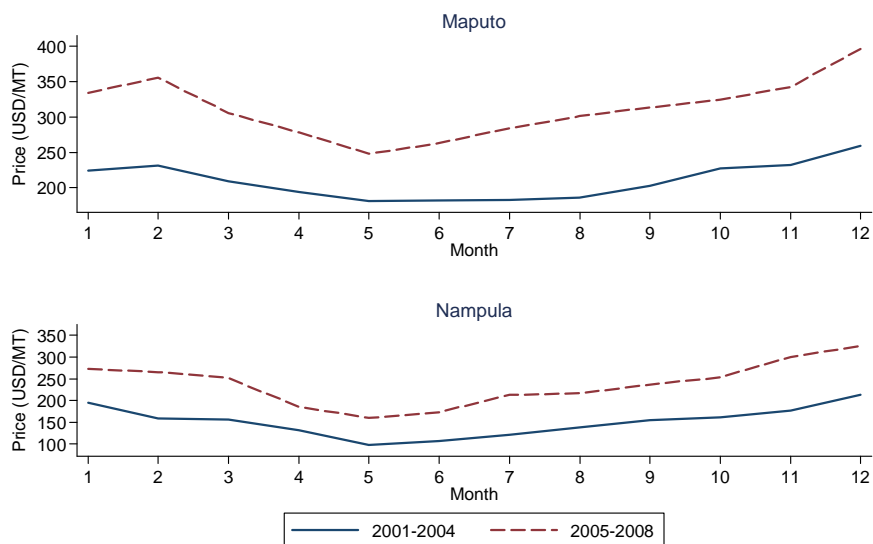
		North	Central	South	Total
Rice	2002/03	13.8	13.6	13.1	13.6
	1996/97	4.0	4.8	8.8	5.4
Wheat	2002/03	5.4	5.3	9.4	6.1
	1996/97	1.1	1.1	6.9	2.3
Maize	2002/03	19.0	24.0	13.8	20.0
	1996/97	25.1	24.5	18.6	21.6

Markets to be analyzed: Maputo and Nampula

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

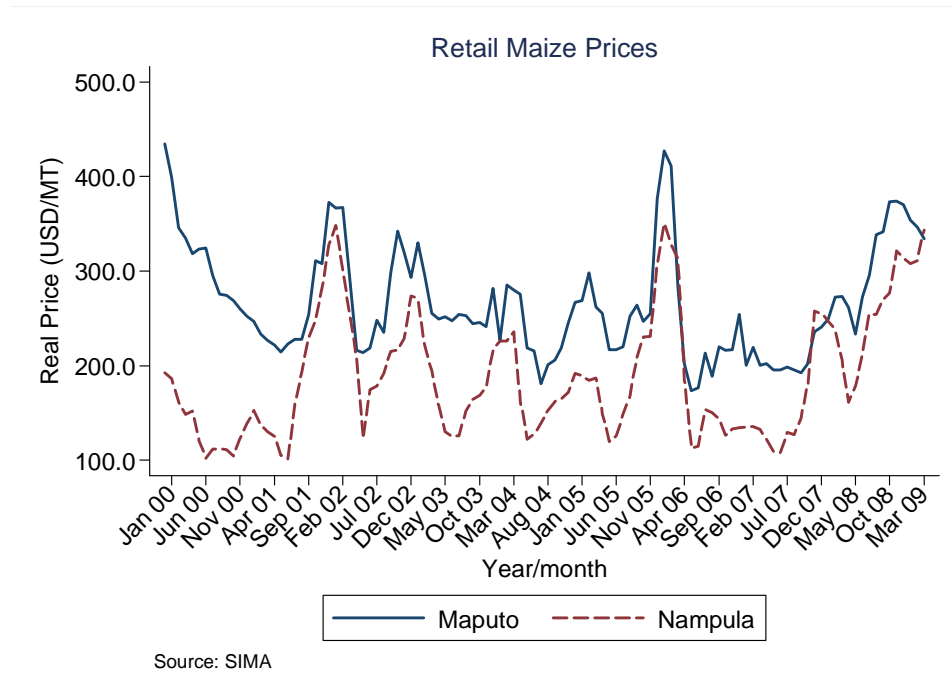
Seasonality in Market Prices

Average Monthly Retail Maize Prices for Two Period

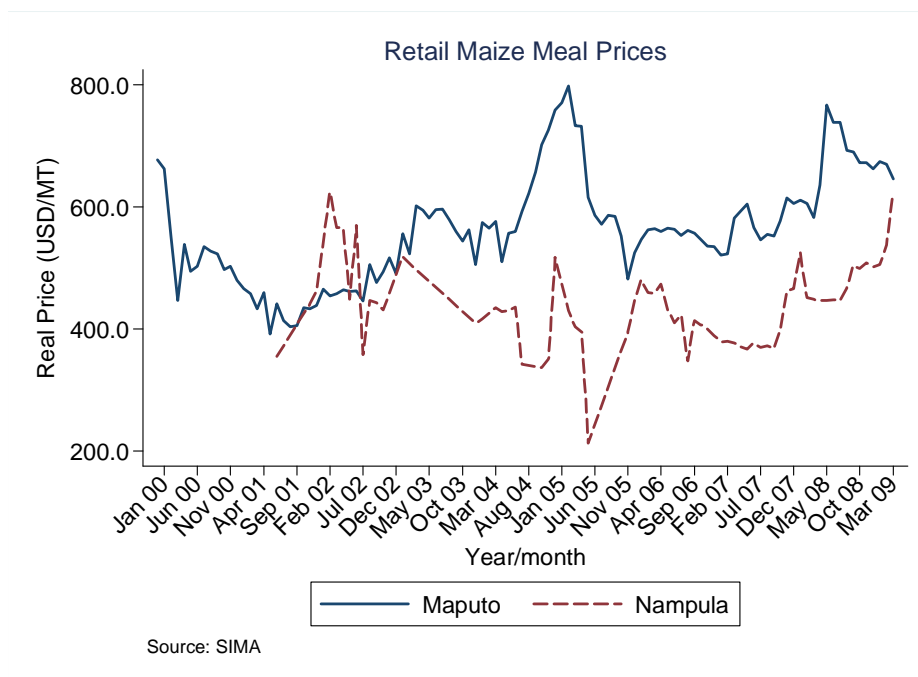


Source: SIMA

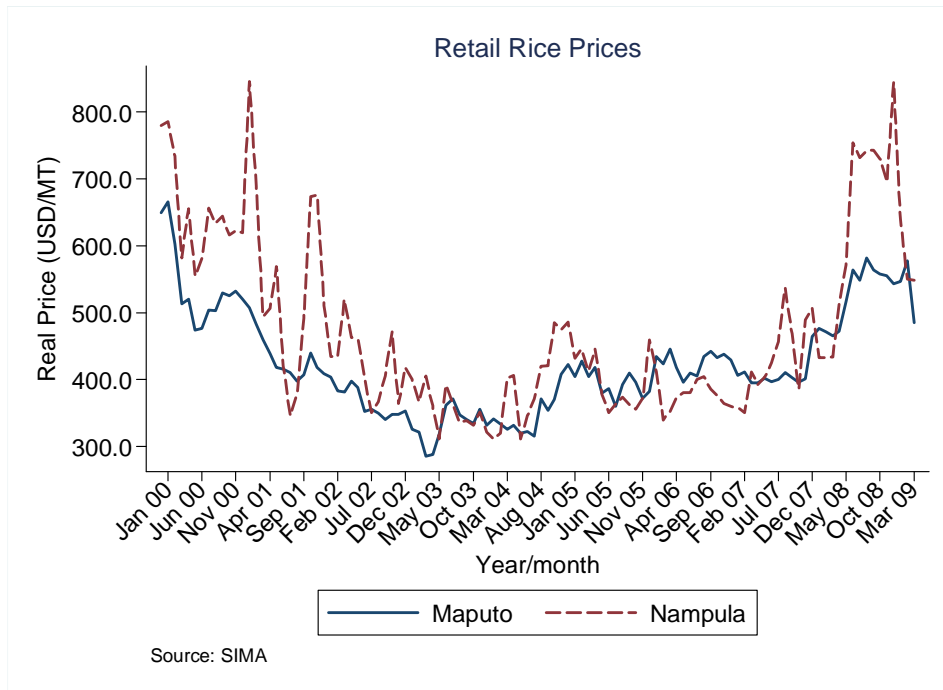
Monthly real maize price trends, 2000-2009 Maputo and Nampula



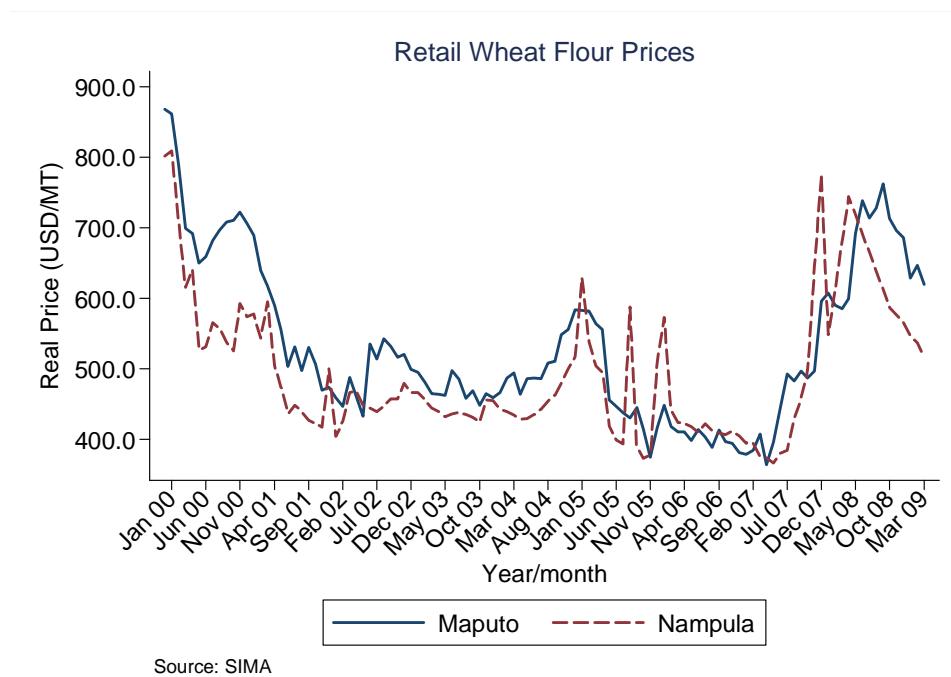
Monthly real maize meal price trends, 2000-2009 Maputo and Nampula



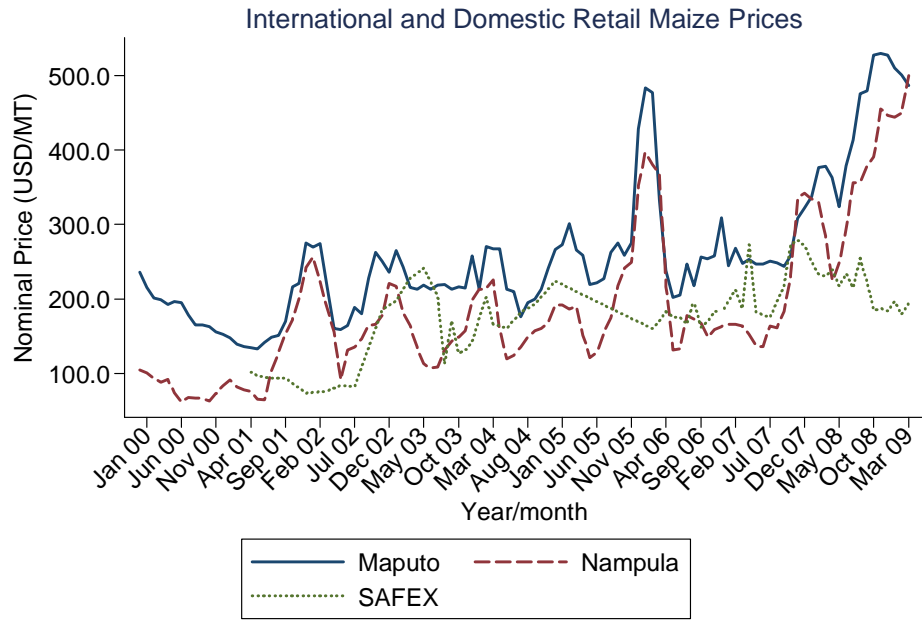
Monthly real rice price trends, 2000-2009 Maputo and Nampula



Monthly real wheat flour price trends, 2000-2009 Maputo and Nampula

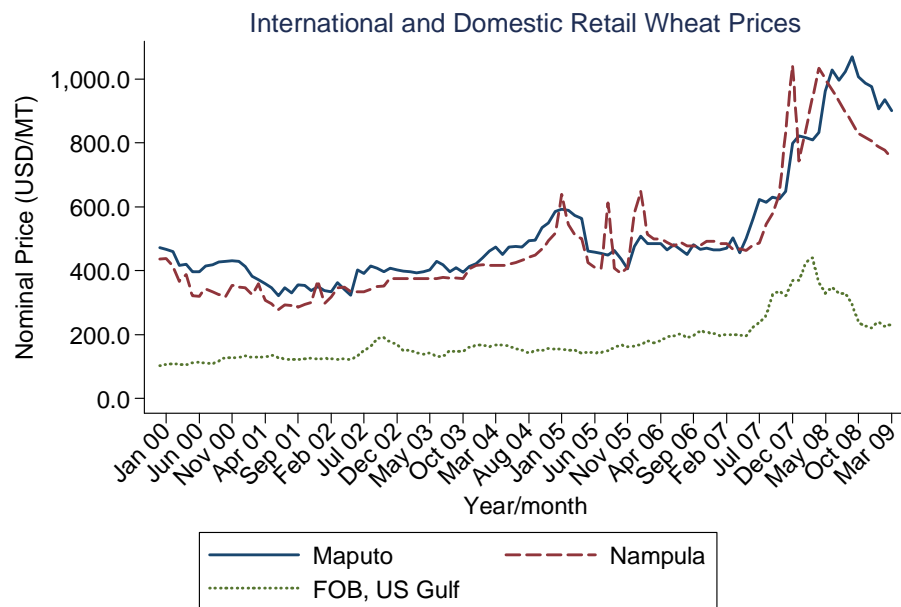


International and domestic monthly retail maize prices



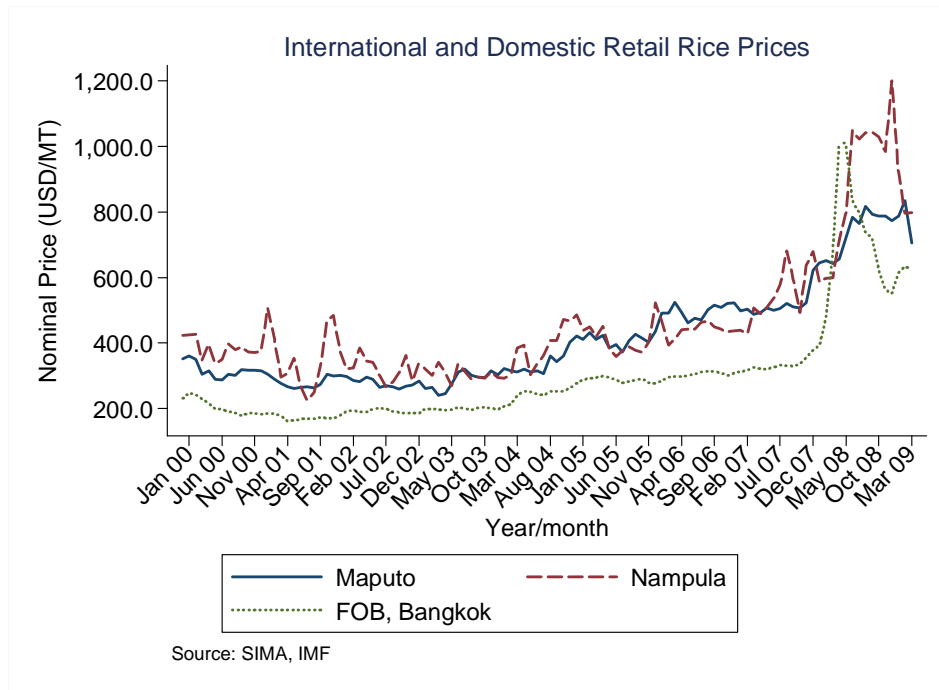
Source: SIMA, SAFEX

International and domestic monthly retail wheat flour prices

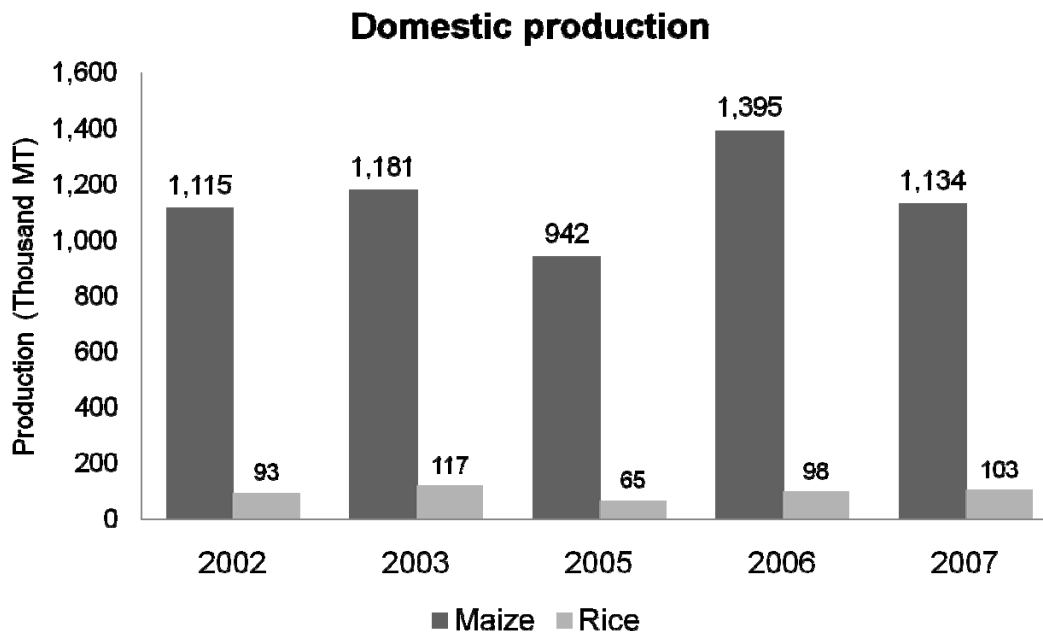


Source: SIMA, IMF

International and domestic monthly retail wheat flour prices



Source and flow of commodities



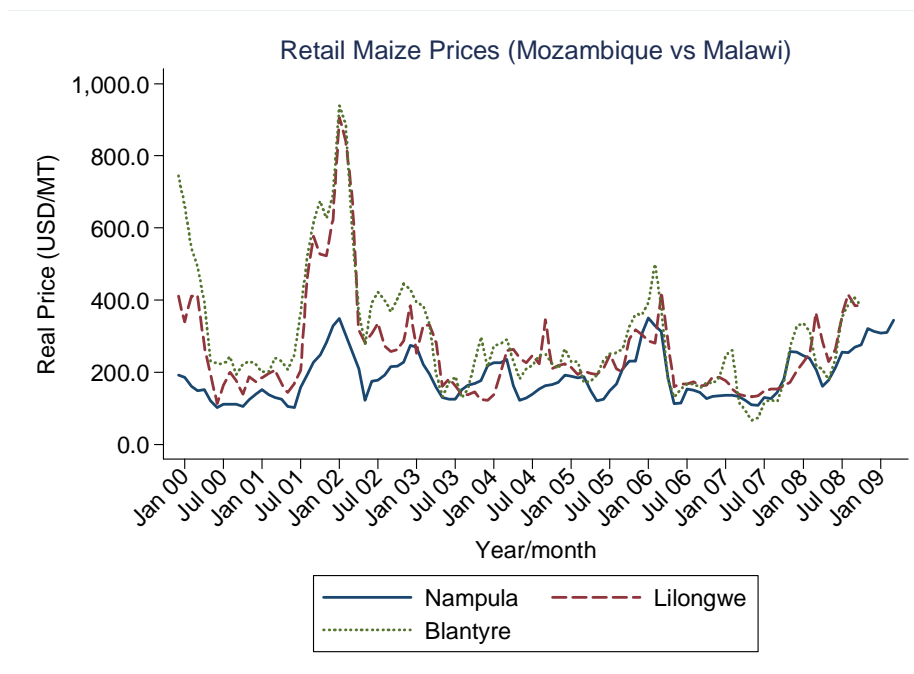
Source and flow of commodities

Informal cross border maize trade (MT)

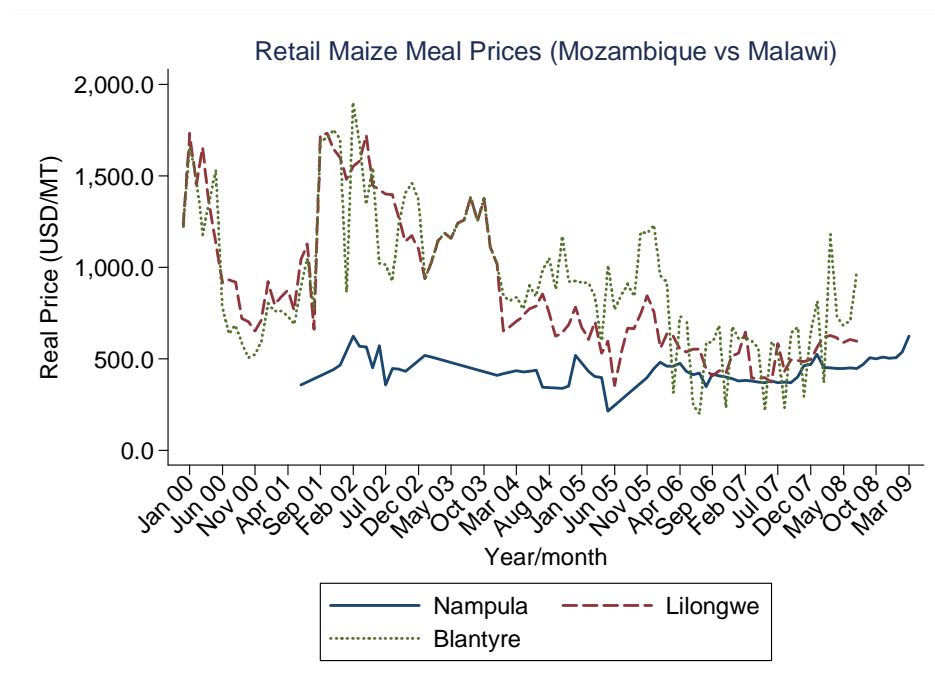
Source	Destination	Total			
		Total 04/05 Season	Total 05/06 Season	06/07 Season	Total 07/08 Season
Mozambique	Malawi	71,229	71,218	77,394	56,078
Mozambique	Zambia	0	49	1,269	2,113
Mozambique	Zimbabwe	2	5	2,085	11
Malawi	Mozambique	0	133	591	3,755
Zambia	Mozambique	0	55	2	0
Zimbabwe	Mozambique	0	85	294	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!