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# WFP MOZAMBIQUE – Food Price Bulletin

March 2023, Research Assessment and Monitoring (RAM) Unit

## Key highlights

- ❖ For most of the primary food commodities, Niassa, followed by Cabo Delgado, Zambezia, Manica, and Tete, showed a higher instability in prices compared to other provinces. This also indicates the **need for the diversification of supply channels for Mozambique** to tackle the impact on its supply which was heavily dependent on Ukraine, Russia and its neighbouring countries.
- ❖ **Maize prices have increased in all locations compared to January 2022**, with Gaza and Niassa showing the highest increase of +40 percent, followed by Tete (+28 percent) and Sofala with +23.3 percent. Nationally the price of white maize increased of 34% probably because of the effects of the lean season.
- ❖ With prices on the rise, the **purchasing power**<sup>1</sup> of Mozambicans has been experiencing a downward trend since December 2022. The surge in prices (steep inflation increase) is explained by the effect of the floods on the supply of fresh products and the increase in public transport fares. In December 2022, it reached a high of 3.83 Kg; however, 3.41Kg for the month of February and still showing a descending trend, reflecting the impact of the tropical storms on food production and availability. **A dramatic 11.4 percent decrease in purchasing power was observed compared to February 2022.** This will likely impact food security, especially in the most vulnerable households.
- ❖ **Vegetable oil price in September presents a high decrease in Nampula province** compared to last month's prices (-22 percent). In the last six months also, a considerable reduction in all the provinces is noticeable; however, compared to January 2023, a decrease of a paltry 0.1 percent was registered, which is insignificant to overcome the heightened food expenditure driven by inflation and other price hikes.

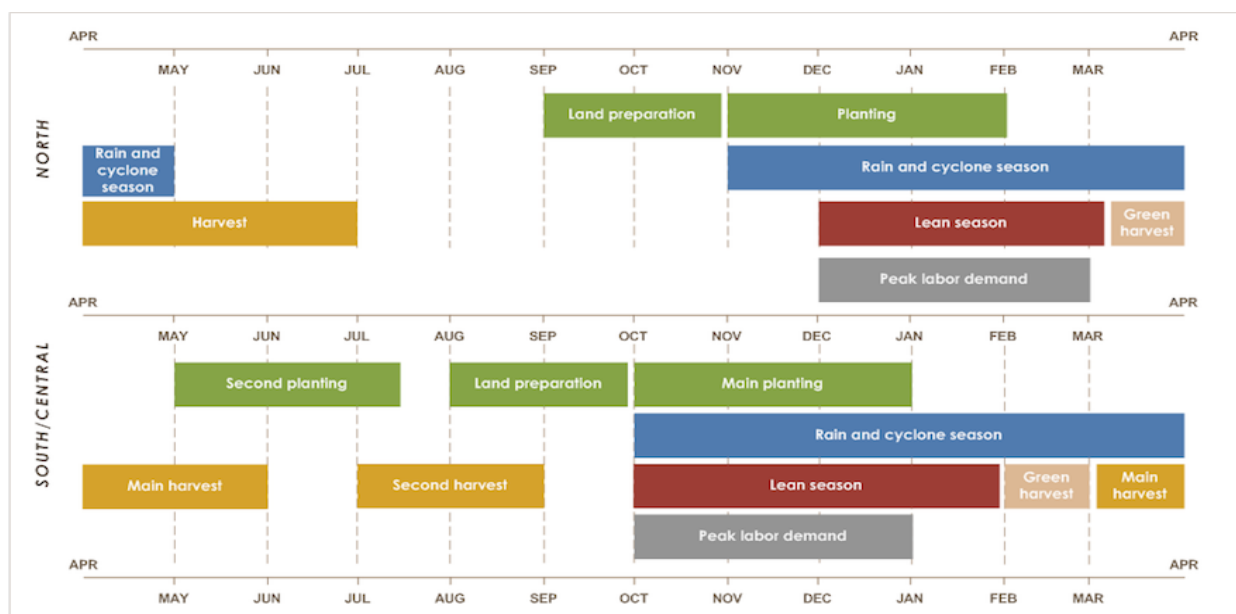
<sup>1</sup> Kgs of maize meal bought with a day's minimum wage (227 MZN). [The monthly minimum wage is 5,000 MZN, hence the daily minimum wage rate is 227 MZN considering 22 working days.]

## CONTEXT

### Seasonality in Mozambique

According to the seasonal calendar,<sup>2</sup> January is the middle of the lean season and approaching the end of the planting season for the northern region. For the South and Central regions, January is approaching the end of the lean season and marks the end of the main planting season. Although the harvest became available for the main food commodities, Niassa, followed by Cabo Delgado, Zambezia, Manica, and Tete, showed a higher price instability compared to other provinces plausibly due to their higher dependence on imported goods and the impact of the cyclone Freddy.

Figure 1. Seasonal calendar for a typical year in Mozambique

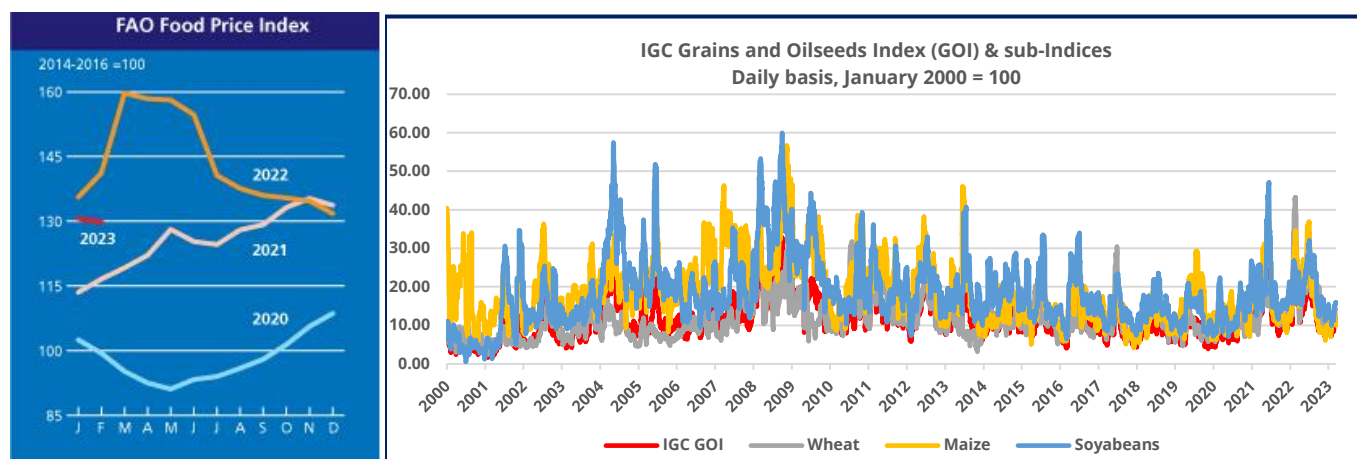


### Impact of the Cyclone Freddy on Mozambican markets and Ukraine crisis.

Heavy rains and strong winds lashed the eastern parts of Mozambique as tropical cyclone and destroyed homes, infrastructure and agricultural crops. However, in effect, the cyclone has worsened the food security situation for millions of people and prices of goods are expected to increase significantly especially in the Cyclone Freddy affected provinces as most crops have been washed away and road networks damaged.

Prices of grains and oil seeds have reduced in the last months up to February 2023 but remain higher than pre-covid prices. After rising steadily and reaching all-time highs in early 2022, primarily due to a tightening supply outlook, commodities for which Russia is the leading provider continued to grow in the following months of the Ukraine crisis; however, price rises are less steep now.

Figure 2-3. FAO food price index and grain and oilseed index by IGC



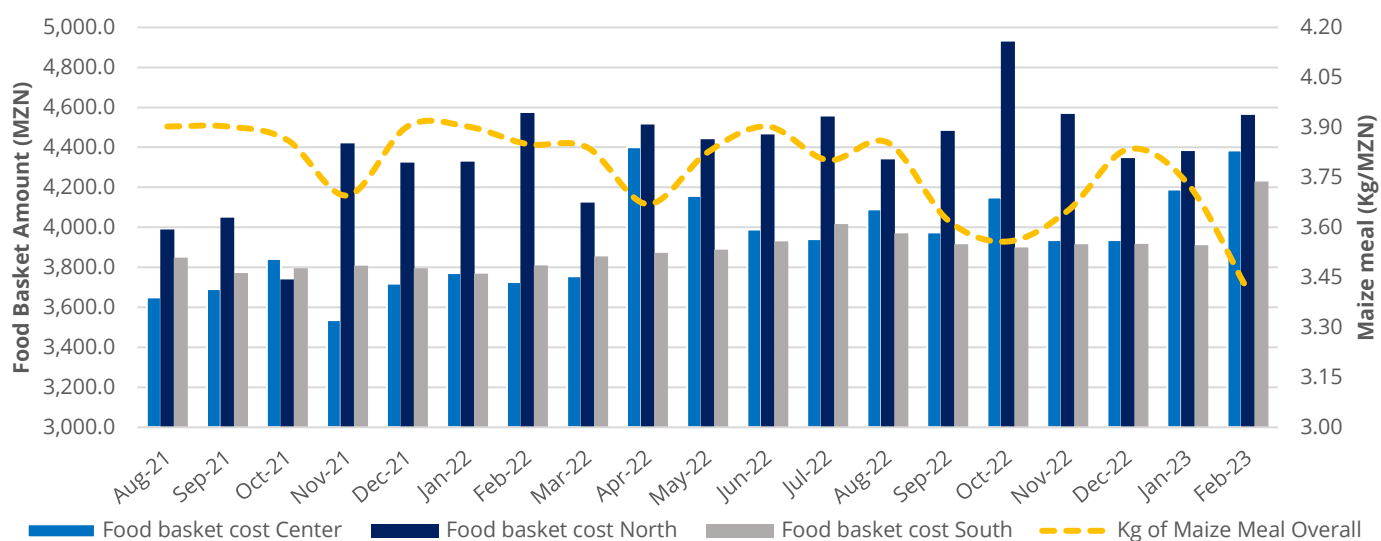
<sup>2</sup> <https://docs.wfp.org/api/documents/WFP-0000141481/download/>

## Food basket and Purchasing Power analysis

The present section analyses the price variations, focusing on essential food commodities that compose the main WFP assistance food basket.<sup>3</sup>

The cost of the food basket for the month of February 2023 (North: MZN 4,561.7; Central: MZN 4,385; South: MZN 4,229.6)<sup>4</sup> has increased more than +4.0 percent compared to the month of January 2023 in all the three (3) regions of the country (North: MZN 4,381.7; Central: MZN 4,190; South: MZN 3,911). Additionally, a spike increase was observed in February 2023 on the food basket cost in Central and Southern regions compared to February 2022, except in the northern part of the country where some slight variation was observed (North: MZN 4,561.7 vs North: MZN 4,571.3).

Figure 4. Food basket and purchasing power analysis for overall Mozambique



With prices on the rise, it is observed that the amount of cereals that one unit of money (MZN) can buy has been reducing since December 2022. This phenomenon reflects the extent of the reduction in consumer purchasing power for households. The purchasing power was at 3.83 Kg during December 2022; however, 3.41 kg for February still shows a descending trend, reflecting the impact of the tropical storms on food production and availability.

<sup>3</sup> Food basket composition by region:

**Southern Region basket** - Maize meal: 37.5Kg, Rice: 5Kg, Butter beans: 8Kg, Vegetable Oil: 4L, Groundnuts: 3Kg and Salt: 1Kg

**Central Region basket** - Maize meal: 40Kg, Butter beans: 12Kg, Vegetable Oil: 5L and Salt: 1Kg

**Northern Region basket** - Maize meal: 19Kg, Rice: 30Kg, Butter beans: 10Kg, Vegetable Oil: 5L and Salt: 1Kg

<sup>4</sup> **Central provinces:** Zambézia, Tete, Manica and Sofala

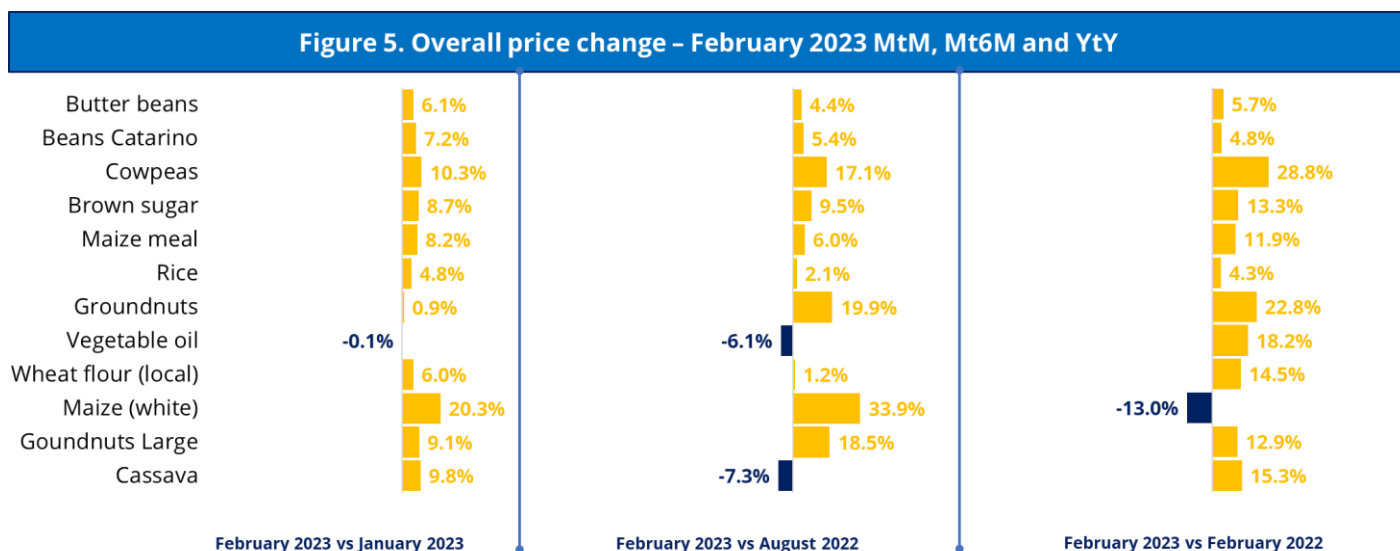
**Southern provinces:** Inhambane, Gaza and Maputo

**Northern provinces:** Cabo Delgado, Nampula and Niassa

# Commodity price trends in Mozambique and provincial variations

## Country-level overall price trends

All the commodities remained on the rise and kept higher compared to January 2023, except vegetable oil, with a decrease of 0.1%. Vegetable oil and Cassava decreased by 6.1 percent and 7.3 percent, respectively, compared to the prices in August 2022, however, remained higher than in February 2022 (+18.2 percent for Vegetable Oil and +15.3 percent for Cassava). For cassava, the comparison taken into consideration prices in Nampula province, the only ones provided by SIMA - Agricultural Market Information System - (Figure 5<sup>5</sup> and Annex I). In February 2023, all commodities prices were higher than those registered in February 2022, except white maize.



## Provincial price trends

### Maize (white):

**Maize prices have increased in all locations compared to January 2022**, with Gaza and Niassa showing the highest increase of +40 percent, followed by Tete (+28 percent) and Sofala with +23.3 percent. Nationally the price of white maize increased of 34% in the past 6 months but it shows a 13% decrease compared to February 2022 because of an important reduction of white maize price in the second quarter of 2022 following good production in 2022 agricultural season.

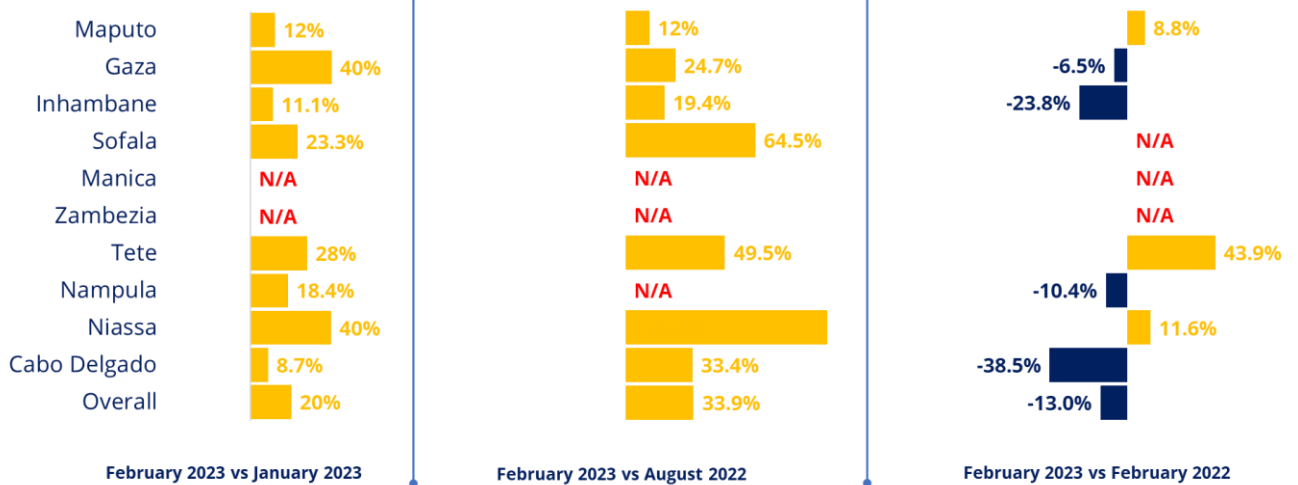
The highest decrease was in Cabo Delgado by 38.5 percent, followed by Inhambane (23.8 percent) and Nampula (10.4 percent). In February 2023, the highest price was observed in Gaza at 32.06 Mt/Kg, and the lowest was 22.86 Mt/Kg in Niassa.

<sup>5</sup> MtM=Month to the previous month (e.g. August 2022 vs July 2022)

Mt6M=Month to price before 6 months (e.g. August 2022 vs February 2022)

YtY=Month to prices before 1 year (e.g. August 2022 vs August 2021)

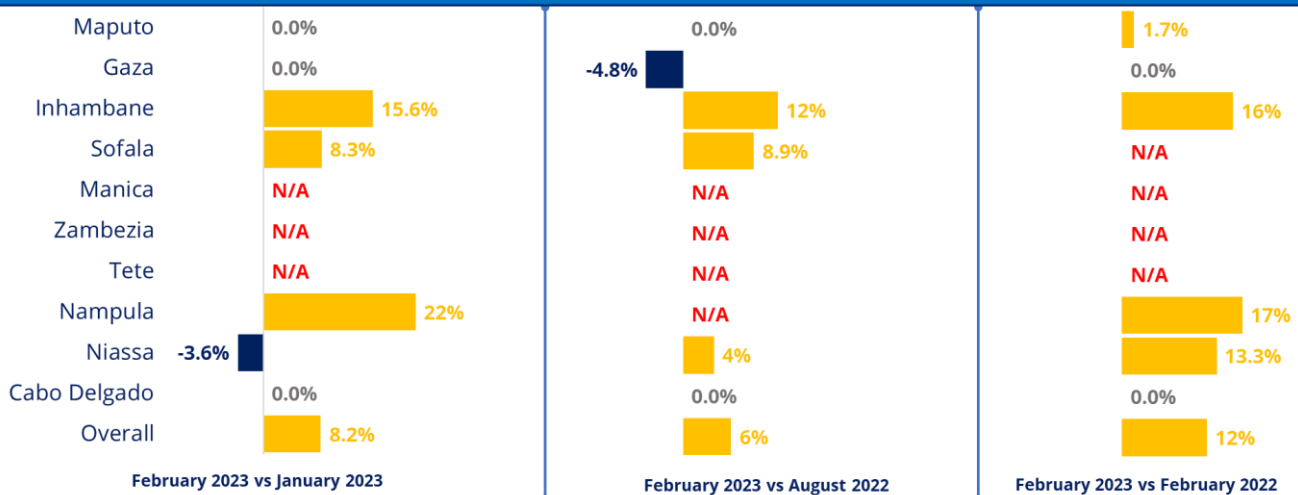
**Figure 6. Provincial price change of Maize (white) – February 2023 MtM, Mt6M and YtY**



**Maize meal (white, first grade):**

The Maize meal included in the analysis is a milled grade one. Due to the increase in the price of white maize in the past six months, the prices of maize meals in the country were quite unstable, coupled with probable increase in milling resulting from varying fuel prices. Only Niassa province saw a decrease of 3.6 percent compared to the last month (January 2023). Maize meal prices remained almost unchanged in 3 out of 7 provinces of Mozambique as in 3 of them; the prices are not available. Nampula province is showing a significant increase of about +22 percent compared to previous month's prices, followed by Inhambane at +15.6% and Sofala at +8.3%. Compared to August 2022) and February 2022, all the provinces with available price data present an increase, except Gaza, with a decrease (4.8 percent). The highest price was observed in Nampula at 75 Mt/Kg, where the lowest was 50 Mt/Kg in the southern provinces of Maputo and Gaza.

**Figure 7. Provincial price change of Maize Meal – February 2023 MtM, Mt6M and YtY**

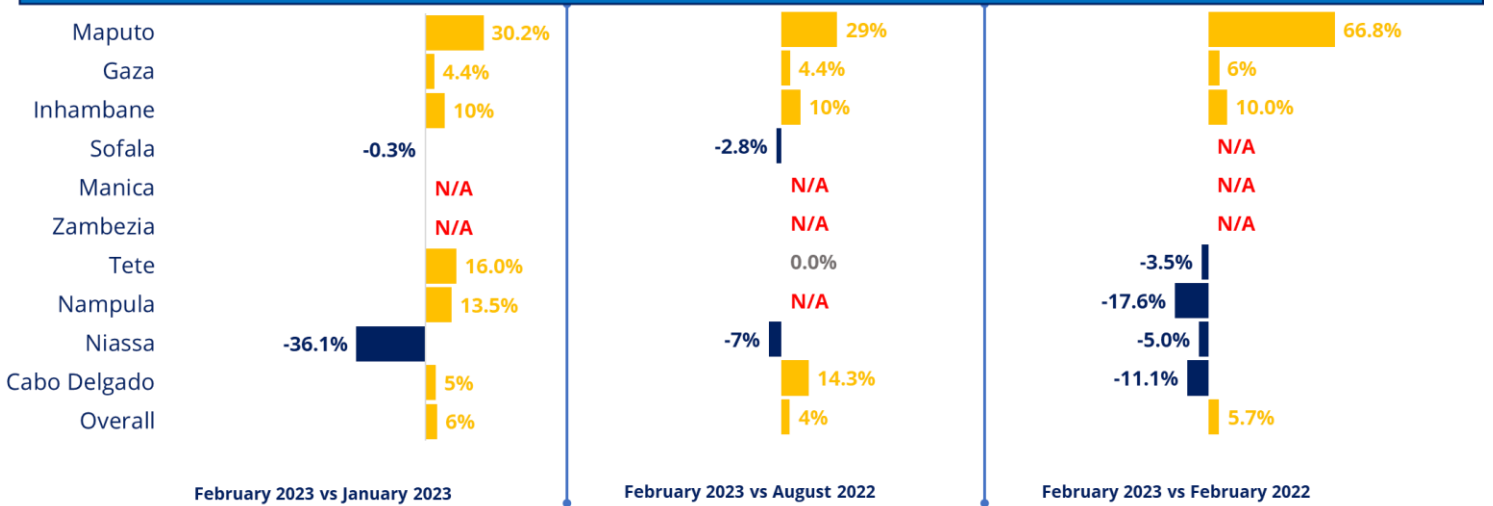




 **Butter beans:**

Butter bean prices have shown relatively better stability during the last year in Niassa province, thanks to the higher availability. In February 2023, compared to January 2023 and August 2022, the prices increase in all provinces except in Niassa and Tete. Compared to the last year (February 2022), the butter beans prices eased in 4 northern provinces and increased considerably in southern provinces (Maputo, Gaza, and Inhambane). The most significant increase observed in Maputo (+66.8 percent), and the most significant decrease was observed in Nampula, with -17.6 percent. The highest price for Butter beans was observed in Maputo at 130 Mt/Kg and the lowest at 70 Mt/Kg in Nampula in February 2023.

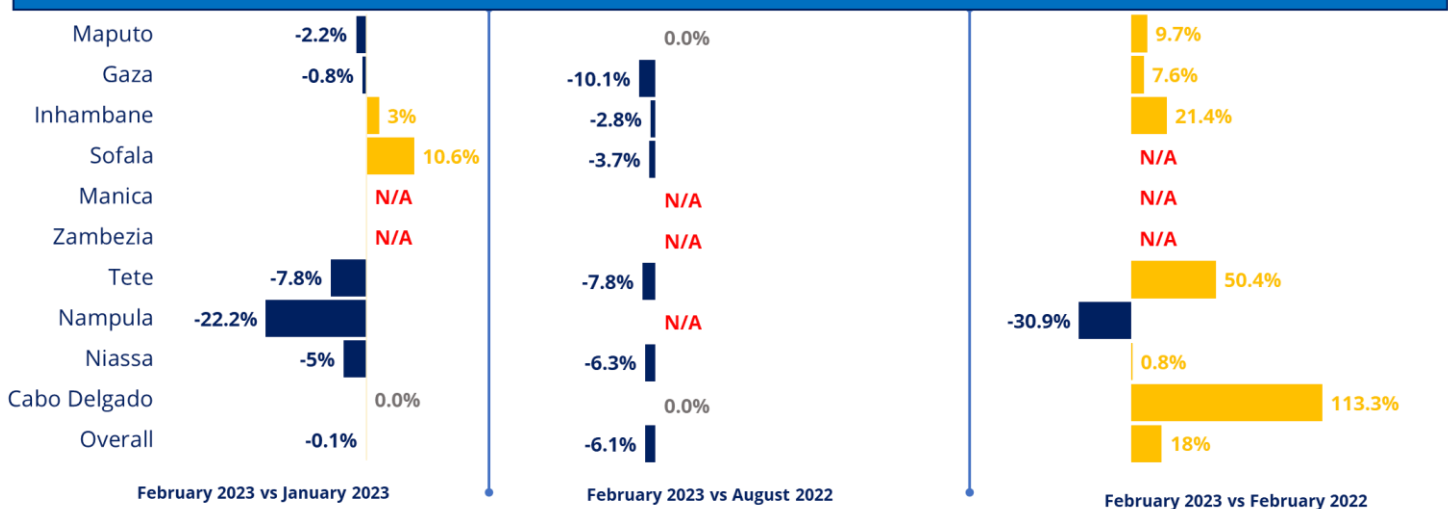
**Figure 8. Provincial price change of Beans (Butter) – February 2023 MtM, Mt6M and YtY**



 **Vegetable oil (local):**

In February 2023, compared with the previous month, vegetable oil prices dropped in 5 provinces out of 8 except for Inhambane (+3.0 percent) and Sofala (+10.6 percent); however, they remained unchanged in all the northern provinces. In Cabo Delgado, the price increased alarmingly compared to February 2022 (+113 percent increase). Following Cabo Delgado, the prices in Tete and Inhambane had risen considerably by +50.4 percent and +21.4 percent, respectively. Contrary to the trend of current prices compared to the same period last year, there is a considerable decrease only in Nampula province, where prices eased 30.9 percent. The highest price (February 2023) was observed in Sofala (173 Mt/l) and the lowest at 93 Mt/l in Nampula province.

**Figure 9. Provincial price change of Vegetable Oil – February 2023 MtM, Mt6M and YtY**

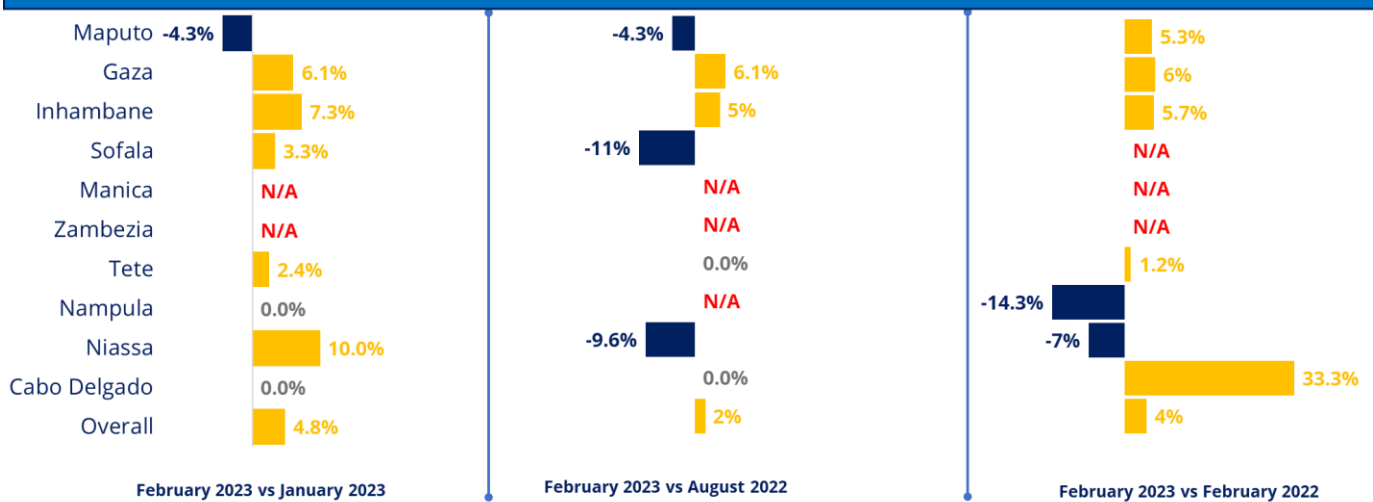




### Rice (imported):

In February 2023, compared to the previous month, the price of imported rice increased in almost all the provinces except for Cabo Delgado and Nampula where prices remained unchanged, and Maputo, where a decrease of 4.3 percent was observed. Moreover, Niassa showed the highest price increases (+10 percent), followed by Inhambane (+7.3 percent) and Gaza (+6.1 percent). Compared to August 2022, rice prices showed mixed trends (increased in 2 provinces, decreased in 3 provinces, and remained at the same level in the rest), where the most significant increase was observed in Gaza (+6.1 percent), and the most significant decrease was in Sofala (-11 percent). The highest price was observed in Tete (70 Mt/Kg) and the lowest in Sofala (52 Mt/kg) province in February 2023.

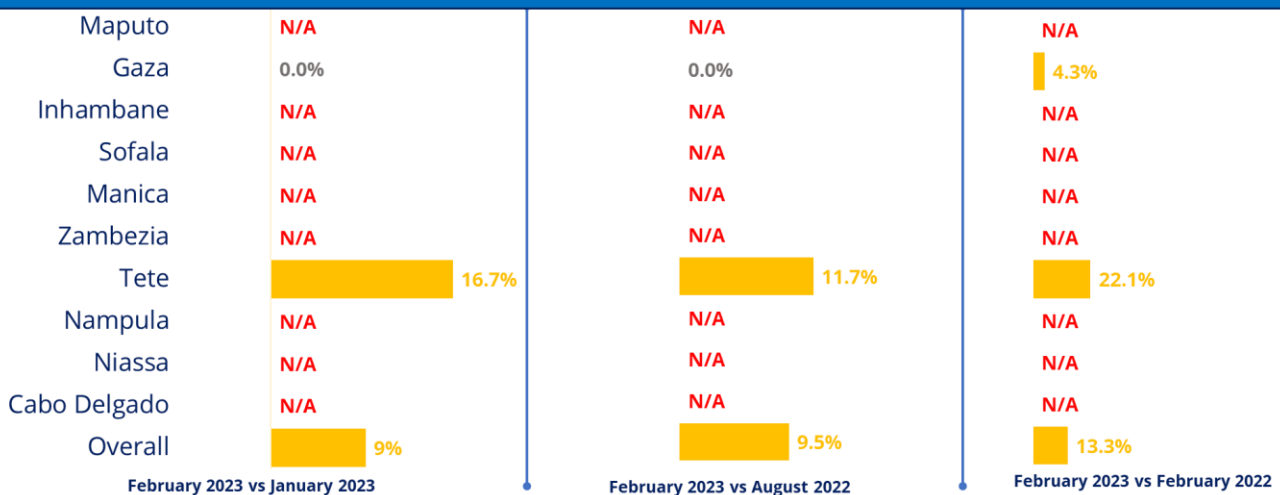
Figure 10. Provincial price change of Rice (imported) – February 2023 MtM, Mt6M and YtY



### Brown sugar (local):

For Brown Sugar, the comparison considered prices in Tete and Gaza provinces, the only ones provided by SIMA - Agricultural Market Information System - for February 2023. Compared with the previous month, the price of local brown sugar increased by +16.7 percent in Tete and remained unchanged in Gaza province. Considering August 2022, the prices increased (+11.7 percent) and increased by +22.1 percent in contrast to February 2022. The highest price for local brown sugar in February 2023 was observed in Tete and Zambezia (88 Mt/Kg) and the lowest (75 Mt/Kg) in Niassa province.

Figure 11. Provincial price change of Brown Sugar – February 2023 MtM, Mt6M and YtY





## Fuel

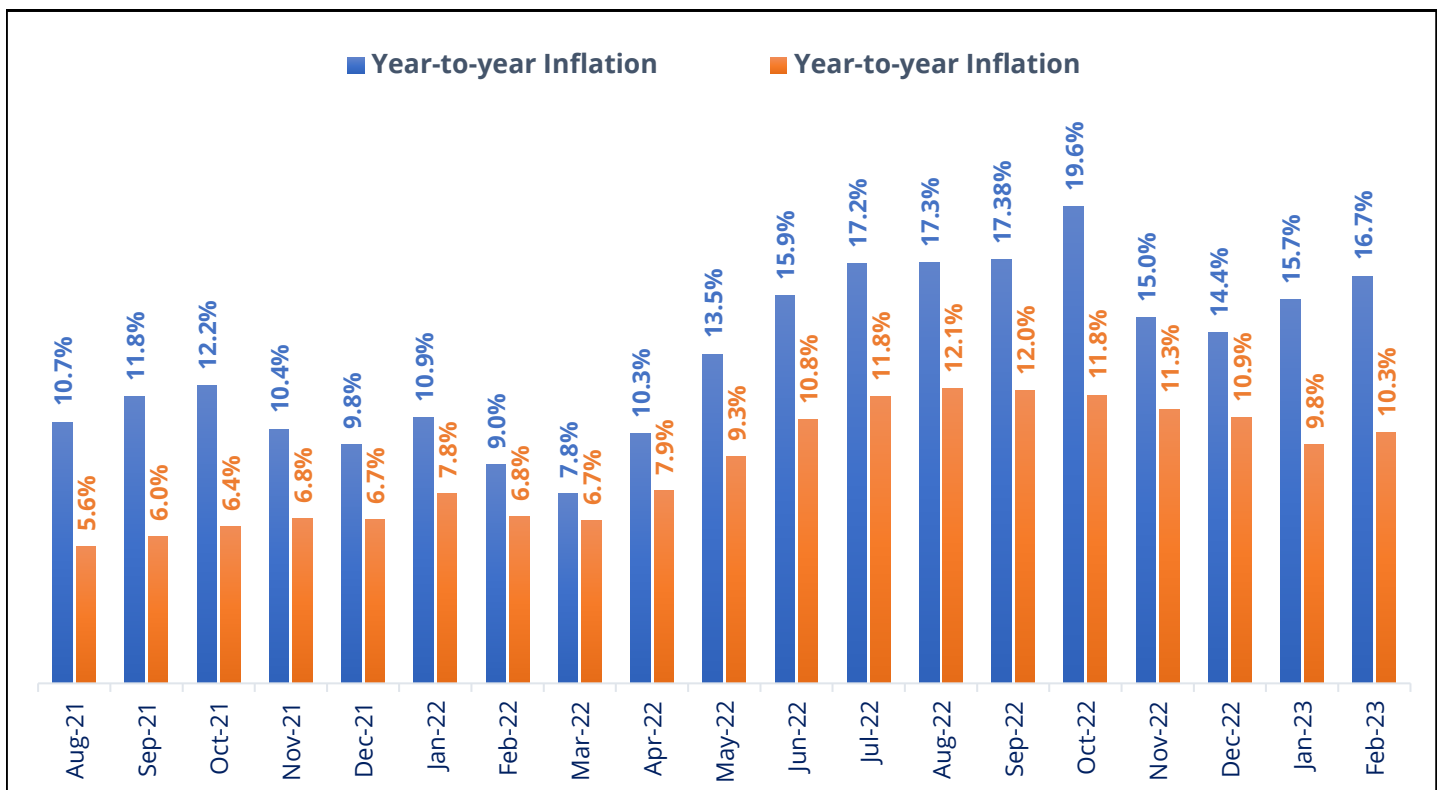
Since the last fuel price increase occurred between April and June 2022, in which an increase of about 7.6 percent was applied by the Energy Regulatory Authority (ARENE)<sup>6</sup>, the cost remained the same: diesel commercialized at 87.97 meticaís a liter, gasoline at 86.97 meticaís, and cooking gas at 102.02 meticaís a kilogram.



## Inflation

Mozambique has continued seeing a steep increase in the general inflation rate and also the food inflation rate since December 2022 (fig. 12), after a considerable decrease from the highest Food headline on October 2022 (+19.6 percent) to +15 percent in November 2022. The annual inflation rate in Mozambique rose to 10.3% in February 2023, up from 9.8% in the previous month and the food headline from +15.7 percent to +16.7 percent in the same timeframe as the general inflation. Prices continued to advance sharply for food & non-alcoholic beverages (18.20% vs. 16.71% in February). On a monthly basis, consumer prices were up by 0.97%, after increasing by 0.98% in the previous month. The increase in inflation is explained by the effect of the floods on the supply of fresh products and the increase in public transport fares.

Figure 12. Inflation Rate (Instituto Nacional De Estatística - INE)



<sup>6</sup> <http://arene.org.mz/wp-content/uploads/2022/03/Comunicado-de-Imprensa-ARENE-.pdf>



## Methodology and coverage

The Sistema de Informação de Mercados Agrícolas - SIMA - (Agricultural Market Information System) collects the prices of different commodities in different districts of all provinces of Mozambique. Three price points for each commodity are collected from each marketplace of all the districts. The cleaned prices are then shared with the Research, Assessments, and Monitoring team of the World Food Programme (WFP), which feeds it into this price monitoring bulletin along with food prices collected by the organization while monitoring its food assistance programs. In order to calculate national prices, the median is used to reduce the effect of outliers.

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Annex I. February 2023 retail market price (median) of main commodities in different districts<sup>7</sup>

Commodities List	Province	Current price	Price Change			Commodities List	Province	Current price	Price Change		
			1 Month (%)	6 Month (%)	1 Year (%)				1 Month (%)	6 Month (%)	1 Year (%)
Maize (white)	Overall	28	20.3% ▲	33.9% ▲	-13.0% ▼	Groundnuts	Overall	125	0.9% ▲	19.9% ▲	22.8% ▲
	Cabo Delgado	23	8.7% ▲	33.4% ▲	-38.5% ▼		Cabo Delgado	-	-	-	-
	Niassa	26	40.0% ▲	126.6% ▲	11.6% ▲		Niassa	152	-	-	-
	Nampula	26	18.4% ▲	-	-10.4% ▼		Nampula	100	-	-	42.9% ▲
	Tete	26	28.1% ▲	49.5% ▲	43.9% ▲		Tete	55	-	-15.0% ▼	24.5% ▲
	Zambezia	-	-	-	-		Zambezia	-	-	-	-
	Manica	-	-	-	-		Manica	-	-	-	-
	Sofala	28	23.3% ▲	64.5% ▲	-		Sofala	90	5.9% ▲	-5.1% ▼	-
	Inhambane	30	11.1% ▲	19.4% ▲	-23.8% ▼		Inhambane	126	14.2% ▲	25.7% ▲	25.7% ▲
	Gaza	32	40.2% ▲	24.7% ▲	-6.5% ▼		Gaza	136	2.9% ▲	18.1% ▲	9.0% ▲
Maputo	26	12.0% ▲	12.0% ▲	8.8% ▲	Maputo	148	13.5% ▲	47.5% ▲	40.4% ▲		
Maize Meal	Overall	58	8.2% ▲	6.0% ▲	11.9% ▲	Cowpeas	Overall	68	10.3% ▲	17.1% ▲	28.8% ▲
	Cabo Delgado	60	0.0%	0.0%	0.0%		Cabo Delgado	43	8.3% ▲	8.3% ▲	-13.3% ▼
	Niassa	68	-3.6% ▼	3.8% ▲	13.3% ▲		Niassa	121	0.0%	50.2% ▲	47.9% ▲
	Nampula	75	21.6% ▲	-	16.9% ▲		Nampula	60	-	-	188.0% ▲
	Tete	-	-	-	-		Tete	39	-2.1% ▼	-0.2% ▼	18.7% ▲
	Zambezia	-	-	-	-		Zambezia	-	-	-	-
	Manica	-	-	-	-		Manica	-	-	-	-
	Sofala	65	8.3% ▲	8.9% ▲	-		Sofala	55	43.5% ▲	1.2% ▲	-
	Inhambane	58	15.6% ▲	12.0% ▲	15.6% ▲		Inhambane	90	16.6% ▲	38.5% ▲	39.4% ▲
	Gaza	50	0.0%	-4.8% ▼	0.0%		Gaza	60	8.4% ▲	20.0% ▲	12.3% ▲
Maputo	50	0.0%	0.0%	1.7% ▲	Maputo	54	-15.6% ▼	-31.8% ▼	9.2% ▲		
Rice	Overall	59	4.8% ▲	2.1% ▲	4.3% ▲	Wheat flour (local)	Overall	60	6.0% ▲	1.2% ▲	14.5% ▲
	Cabo Delgado	55	0.0%	0.0%	33.3% ▲		Cabo Delgado	50	0.0%	0.0%	42.9% ▲
	Niassa	55	10.0% ▲	-9.6% ▼	-7.0% ▼		Niassa	69	-1.6% ▼	-5.0% ▼	6.4% ▲
	Nampula	60	0.0%	-	-14.3% ▼		Nampula	46	0.0%	-	15.0% ▲
	Tete	70	2.4% ▲	0.0%	1.2% ▲		Tete	65	30.0% ▲	14.7% ▲	31.6% ▲
	Zambezia	-	-	-	-		Zambezia	-	-	-	-
	Manica	-	-	-	-		Manica	-	-	-	-
	Sofala	52	3.3% ▲	-10.9% ▼	-		Sofala	60	20.0% ▲	-14.3% ▼	-
	Inhambane	62	7.3% ▲	5.0% ▲	5.7% ▲		Inhambane	58	4.5% ▲	6.9% ▲	11.1% ▲
	Gaza	58	6.1% ▲	6.1% ▲	6.1% ▲		Gaza	68	24.2% ▲	11.6% ▲	26.2% ▲
Maputo	55	-4.3% ▼	-4.3% ▼	5.3% ▲	Maputo	58	0.0%	0.0%	13.7% ▲		
Vegetable Oil	Overall	160	-0.1% ▼	-6.1% ▼	18.2% ▲	Groundnuts Large	Overall	112	9.1% ▲	18.5% ▲	12.9% ▲
	Cabo Delgado	160	0.0%	0.0%	113.3% ▲		Cabo Delgado	80	5.3% ▲	14.3% ▲	-11.1% ▼
	Niassa	167	-5.1% ▼	-6.3% ▼	0.8% ▲		Niassa	-	-	-	-
	Nampula	93	-22.2% ▼	-	-30.9% ▼		Nampula	100	25.0% ▲	-	53.8% ▲
	Tete	157	-7.8% ▼	-7.8% ▼	50.4% ▲		Tete	-	-	-	-
	Zambezia	-	-	-	-		Zambezia	-	-	-	-
	Manica	-	-	-	-		Manica	-	-	-	-
	Sofala	173	10.6% ▲	-3.7% ▼	-		Sofala	-	-	-	-
	Inhambane	170	2.9% ▲	-2.8% ▼	21.4% ▲		Inhambane	120	21.0% ▲	41.0% ▲	24.1% ▲
	Gaza	160	-0.8% ▼	-10.1% ▼	7.6% ▲		Gaza	135	25.0% ▲	35.0% ▲	35.0% ▲
Maputo	145	-2.2% ▼	0.0%	9.7% ▲	Maputo	105	31.3% ▲	0.0%	8.5% ▲		
Beans (Butter)	Overall	102	6.1% ▲	4.4% ▲	5.7% ▲	Cassava	Overall	40	9.8% ▲	-7.3% ▼	15.3% ▲
	Cabo Delgado	80	5.3% ▲	14.3% ▲	-11.1% ▼		Cabo Delgado	-	-	-	-
	Niassa	103	-36.1% ▼	-6.8% ▼	-5.0% ▼		Niassa	-	-	-	-
	Nampula	70	13.5% ▲	-	-17.6% ▼		Nampula	40	53.8% ▲	-	65.5% ▲
	Tete	75	16.0% ▲	0.0%	-3.5% ▼		Tete	-	-	-	-
	Zambezia	-	-	-	-		Zambezia	-	-	-	-
	Manica	-	-	-	-		Manica	-	-	-	-
	Sofala	88	-0.3% ▼	-2.8% ▼	-		Sofala	-	-	-	-
	Inhambane	110	10.0% ▲	10.0% ▲	10.0% ▲		Inhambane	-	-	-	-
	Gaza	104	4.4% ▲	4.4% ▲	5.8% ▲		Gaza	-	-	-	-
Maputo	130	30.2% ▲	29.3% ▲	66.8% ▲	Maputo	-	-	-	-		
Sugar	Overall	81	8.7% ▲	9.5% ▲	13.3% ▲	Beans Catarino	Overall	105	7.2% ▲	5.4% ▲	4.8% ▲
	Cabo Delgado	-	-	-	-		Cabo Delgado	90	2.3% ▲	5.9% ▲	-10.0% ▼
	Niassa	-	-	-	-		Niassa	162	0.0%	45.9% ▲	47.0% ▲
	Nampula	-	-	-	-		Nampula	77	21.1% ▲	-	-9.8% ▼
	Tete	88	16.7% ▲	11.7% ▲	22.1% ▲		Tete	80	-2.0% ▼	6.7% ▲	-4.5% ▼
	Zambezia	-	-	-	-		Zambezia	-	-	-	-
	Manica	-	-	-	-		Manica	-	-	-	-
	Sofala	-	-	-	-		Sofala	83	-6.6% ▼	-17.5% ▼	-
	Inhambane	-	-	-	-		Inhambane	108	8.1% ▲	8.1% ▲	7.4% ▲
	Gaza	75	0.0%	0.0%	4.3% ▲		Gaza	100	0.0%	0.0%	-13.0% ▼
Maputo	-	-	-	-	Maputo	130	37.3% ▲	23.2% ▲	44.7% ▲		

N.B. Some commodities in the column for 1-month, 6-months, and 1-year price comparisons need more data points.