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SAVING
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WFP MOZAMBIQUE – Food Price Bulletin

June 2023, Research Assessment and Monitoring (RAM) Unit

Key highlights

- ❖ **Maize prices have eased in all locations compared to May 2023** due to the fresh harvest available from the current season, except in Manica, where prices increased by +11.6 percent.
- ❖ **Vegetable oil prices in June 2023 decreased in all the provinces** compared to last year's prices, except in Zambezia, where an increase of +15.0 percent was observed. Compared to last month's price, Tete has presented a considerable increase of +19.7 percent but remains the province with the lowest price for the current month of June 2023.
- ❖ With prices on the rise, the **purchasing power**¹ of Mozambicans has been experiencing a downward trend. The purchasing power is keeping almost at the same level as of May 2023 till June 2023. The purchasing power was at 3.48 Kg during April 2023; however, it was 3.68 kg for May 2023 and again slightly reduced to 3.61 kg in the current month due to a slight price increase in the Central region nevertheless, being the harvest season and food availability being expected in high quantities, **a spike increase of +8.2 percent was observed in June 2023 on the food basket cost in Northern region compared to June 2022**, contrary to the Central and Southern regions where some slight decrease was observed.
- ❖ 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. The **need for the diversification of supply channels for Mozambique** remains a concern to tackle the impact on its supply which was heavily dependent on Ukraine, Russia, and its neighbouring countries.

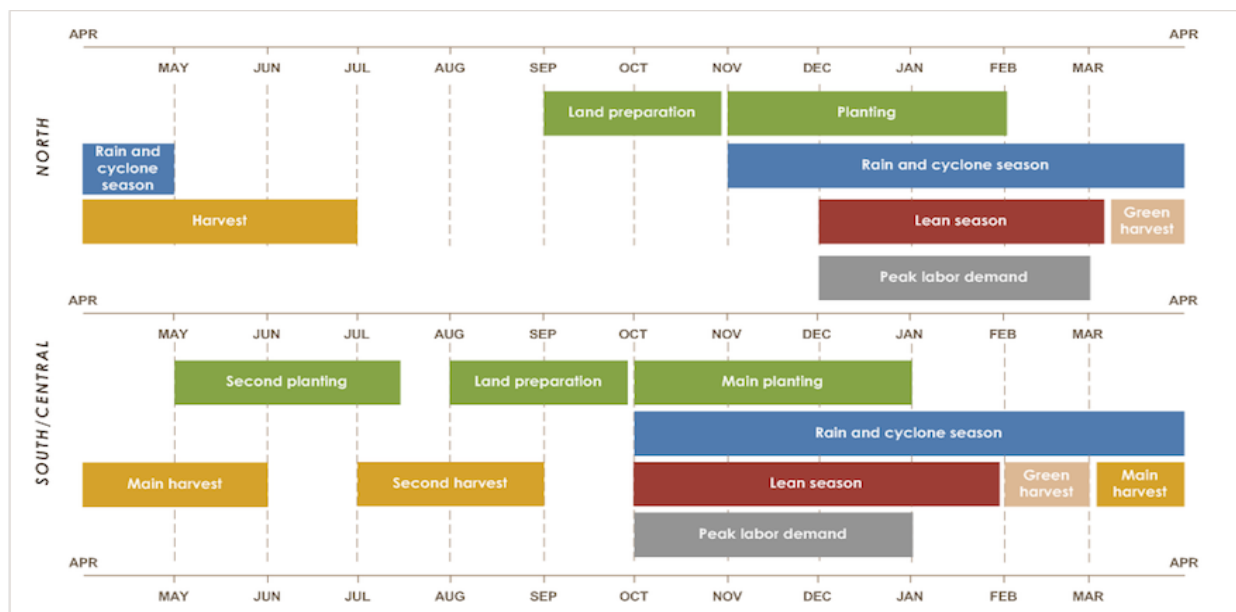
¹ Kgs of maize meal bought with a day's minimum wage (227 MZN). [The monthly minimum wage is 5,000 MZN, hence the daily minimum wage rate is 227 MZN considering 22 working days.]

CONTEXT

Seasonality in Mozambique

According to the seasonal calendar,² June is the harvest season in the northern region, and during this period, staple crop prices and food prices typically begin declining as the harvest begins to reach local markets. This period also represents the end of harvesting and the beginning of the second planting season for the southern and central regions of the country. Although the harvest became available for the main food commodities, cyclone Freddy affected provinces showed a higher price instability compared to other provinces plausibly due to the impact on production.

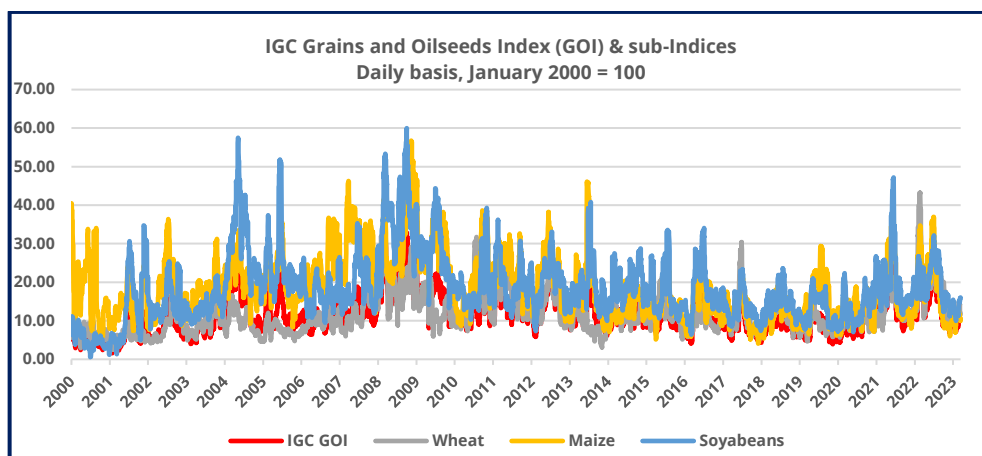
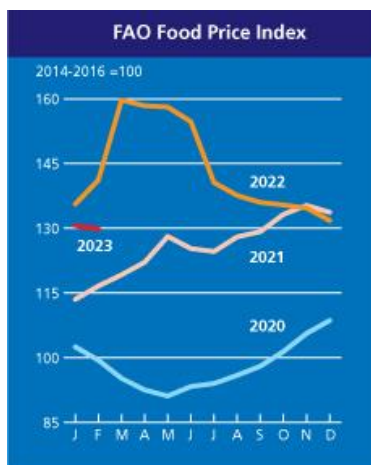
Figure 1. Seasonal calendar for a typical year in Mozambique



Impact of Cyclone Freddy on Mozambican Markets and the Ukraine Crisis

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

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



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

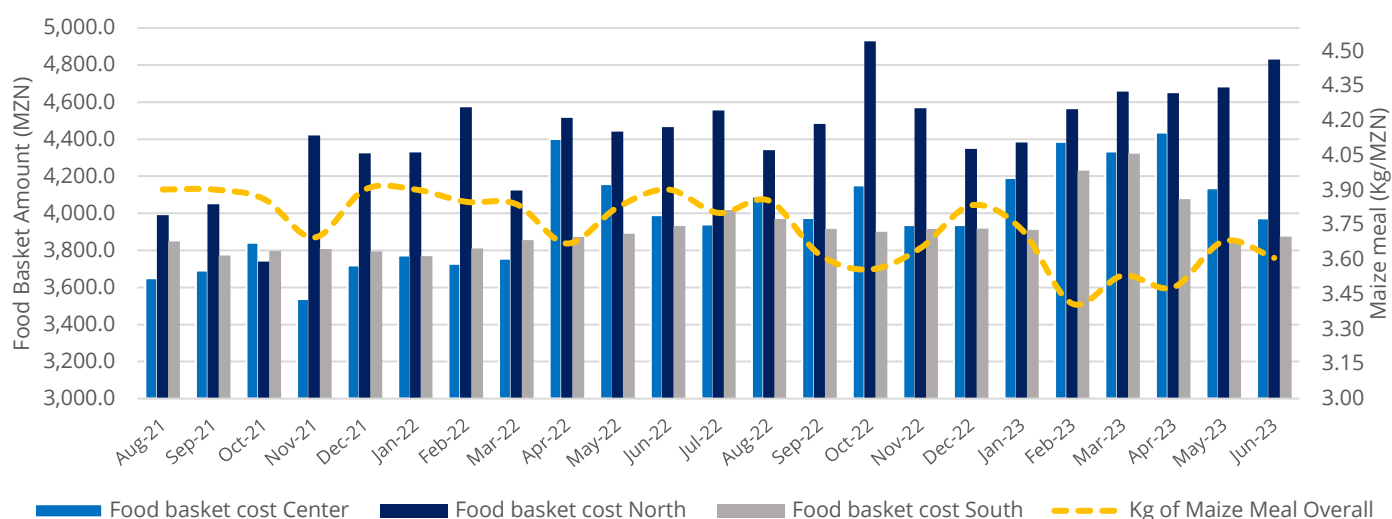
Prices of grains and oil seeds have reduced in the last months up to June 2023 but remain higher than pre-covid prices. After rising steadily and reaching all-time highs in early 2022, primarily due to a tightening supply outlook, commodities for which Russia is the leading provider continued to grow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

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.³

The cost of the food basket for the month of June 2023 (North: MZN 4,830.0; Central: MZN 3,875; South: MZN 3,972.8)⁴ has increased +3.2 and +0.3 percent compared to the month of May 2023 northern and southern region of the country and eased by 3.9 percent in the central region (North: MZN 4,680.0; Central: MZN 4,135; South: MZN 3,862). Additionally, a spike increase of +8.2 percent was observed in June 2023 on the food basket cost in the Northern region compared to June 2022, contrary to the Central and Southern regions where some slight decrease was observed (North: 4,465.1 Central: MZN 3,989.6 South: MZN 3,930.8).

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



With the reduction in maize meal prices, it is observed that the amount of maize meal that one unit of money (MZN) can buy has increased. This phenomenon reflects the extent of the increase in consumer purchasing power for households which was at 3.84 Kg during April 2023, increased to 3.68 kg in May 2023, and slightly reduced to 3.61 kg in the current month (June 2023) due to the harvest season and food availability reaching the markets in high quantities.

³ 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

⁴ **Central provinces:** Zambézia, Tete, Manica and Sofala

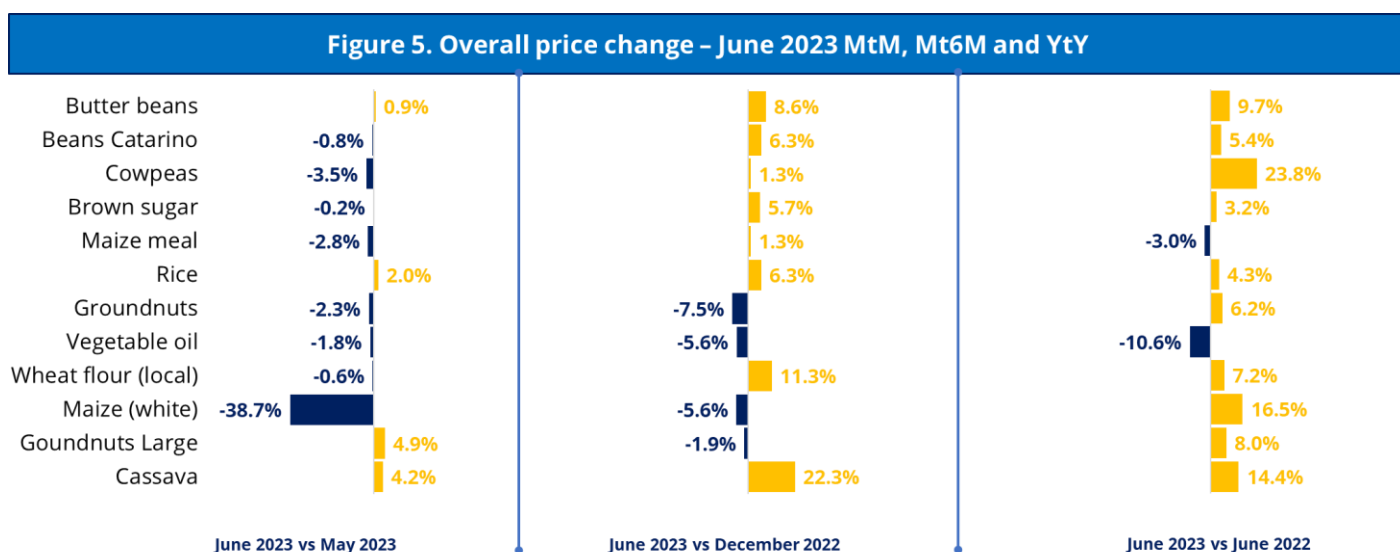
Southern provinces: Inhambane, Gaza and Maputo

Northern provinces: Cabo Delgado, Nampula and Niassa

Commodity price trends in Mozambique and provincial variations

Country-level overall price trends

All the commodities prices (except maize meal prices in the Central region) were found lower compared to May 2023, except Butter beans, Rice, Large groundnuts, and Cassava, with an increase of +0.9 percent, +2.0 percent, +4.9 percent and +4.2 percent, respectively. Groundnuts (small and large), Vegetable oil and White Maize decreased by 7.5 & 1.9 percent for small and large groundnuts and 5.6 percent for both Vegetable oil and White Maize, compared to the prices in December 2022; however, they remained higher than in June 2022 (+6.2 & +8.0 percent for small and large groundnuts and +16.5 percent for White Maize), except for Vegetable oil which prices remained low at 10.6 percent. For cassava, the comparison taken into consideration prices in Zambezia province, the only ones provided by SIMA - Agricultural Market Information System - (Figure 5⁵ and Annex I). In June 2023, all commodities prices were higher than those registered in June 2022, except maize meal and vegetable oil.



Provincial price trends

Maize (white):

Maize prices have decreased in all locations compared to May 2023 due to the fresh harvest available from the current season, except in Manica, where prices increased by +11.6 percent. Zambezia showed the highest decrease of 50 percent, followed by Maputo (38.3 percent) and Inhambane with 37.5 percent. Nationally the price of white maize decreased by 38.7% compared to the past month and the last 6 months at 5.6%. However, it shows a +16.5 percent increase compared to June 2022, being the current maize prices higher than the one observed during the Ukraine crisis era.

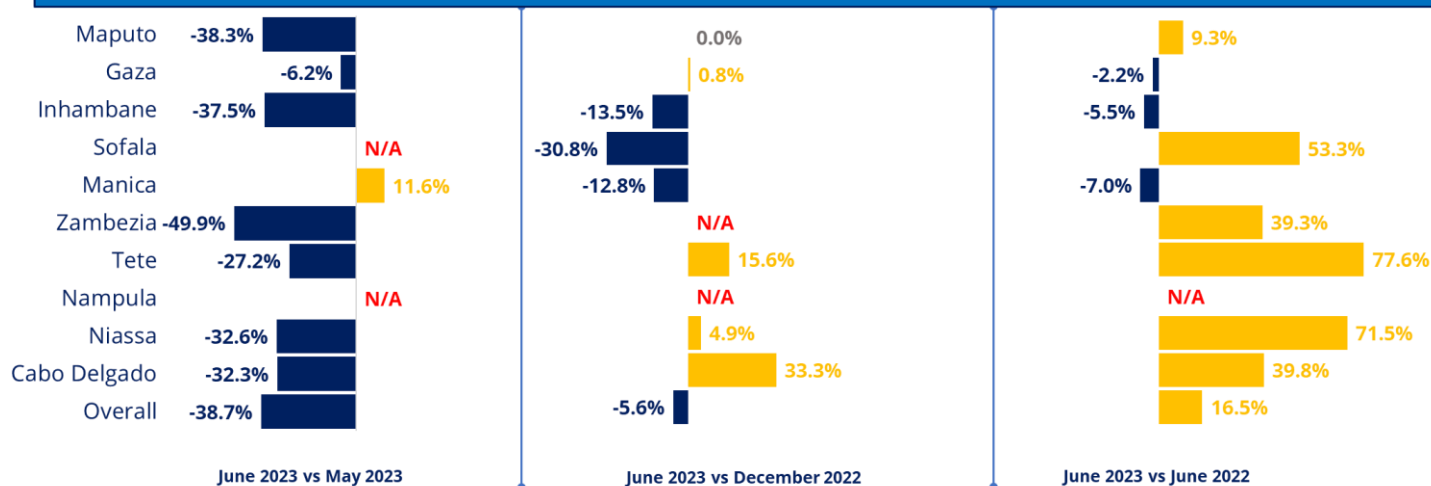
In June 2023, the highest price was observed in Cabo Delgado at 24.76 Mt/Kg, and the lowest was 15.95 Mt/Kg in Manica.

⁵ 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)

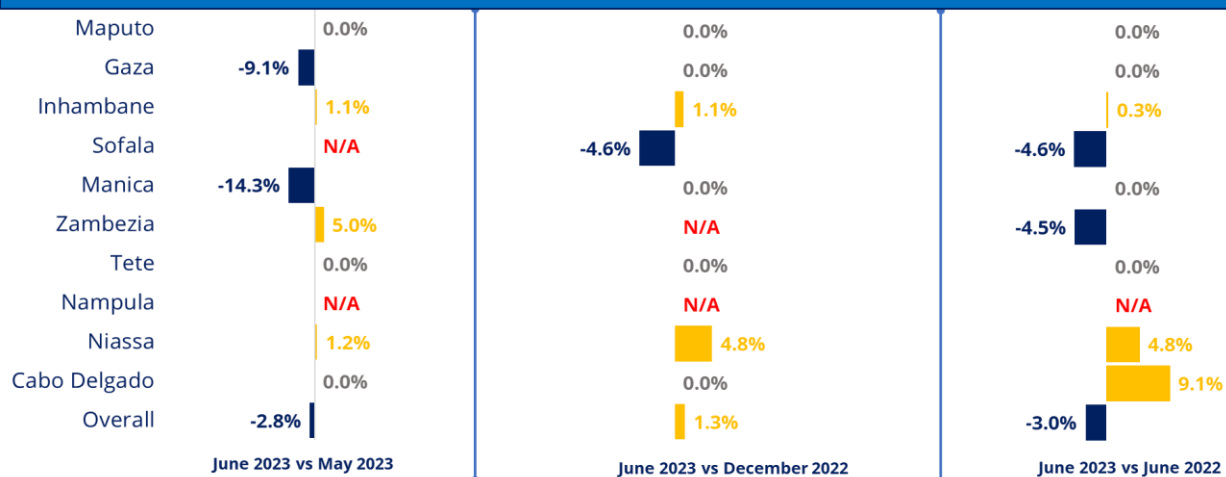
Figure 6. Provincial price change of Maize (white) – June 2023 MtM, Mt6M and YtY



Maize meal (white, first grade):

Nevertheless, with a decrease in white maize prices compared to last month, the prices of maize meal in the country were quite unstable, showing mixed trends. Manica and Gaza province saw a decrease of 14.3 and 9.1 percent respectively compared to the last month (May 2023). The milled grade Maize meal considered in this analysis had seen prices remaining almost unchanged in 3 out of 8 provinces of Mozambique as in Nampula and Sofala the prices are not available. Zambezia province is showing the highest increase of about +5.0 percent compared to the previous month's prices, followed by Niassa at +1.2 percent and Inhambane at +1.1%. Compared to December and June 2022, Sofala province presented the highest decrease of 4.6 percent. In general, while the overall prices shows a decrease by 2.8 percent, the central region maize meal prices have increased, reducing the purchasing power. However, the median price for the central region of the country rose up by 2.5 MZN and for the Southern and Northern region it remained the same as May 2023 in June 2023 which has slightly decreased the purchasing power. The highest price was observed in Niassa at 73 Mt/Kg, where the lowest was 50 Mt/Kg in the southern provinces of Maputo and Gaza including Tete province in the central region of the country.

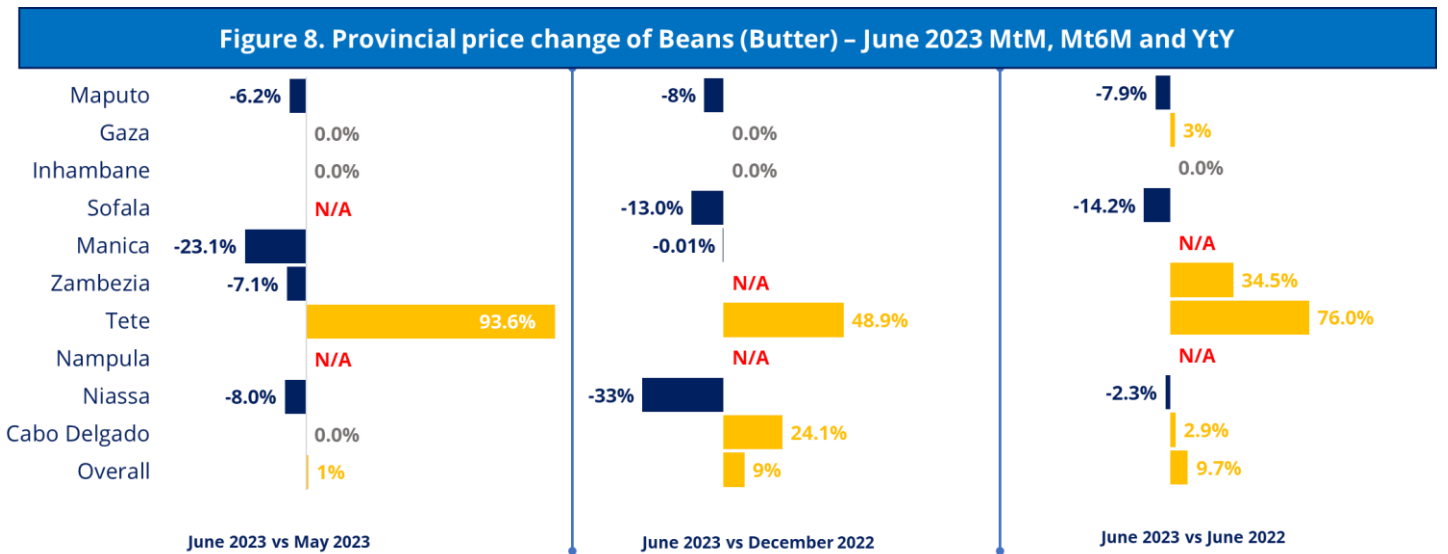
Figure 7. Provincial price change of Maize Meal – June 2023 MtM, Mt6M and YtY



 **Butter beans:**

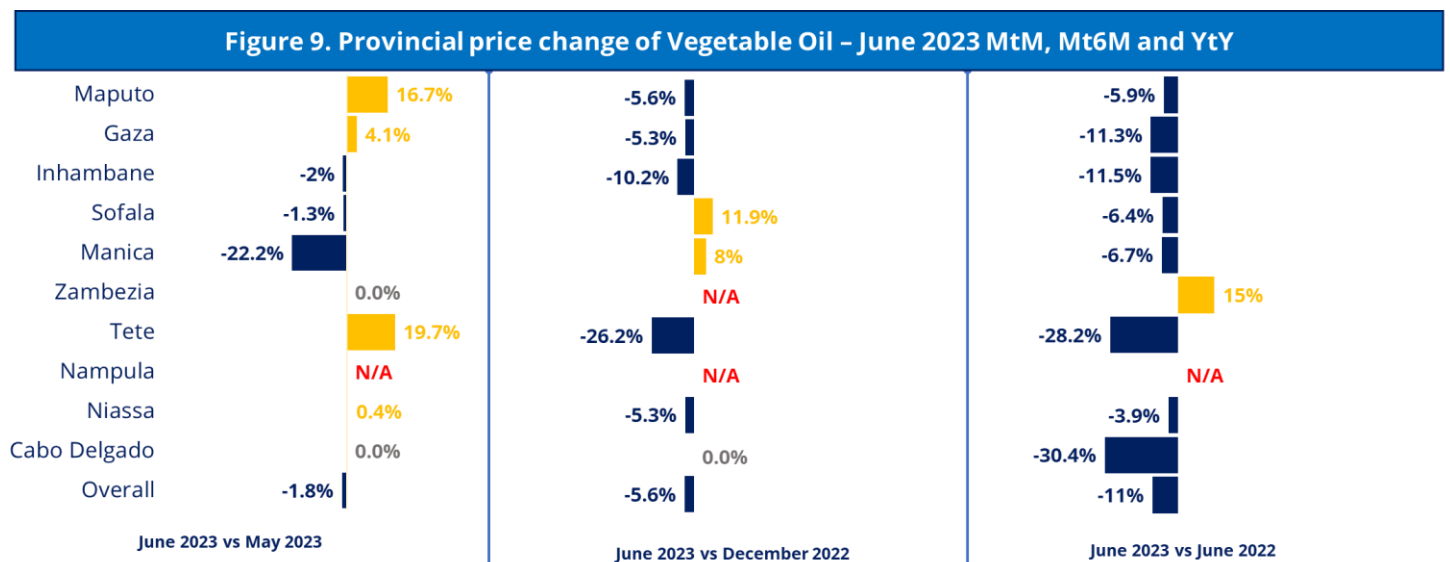
Butter bean prices have shown a descending trend compared to May 2023 in all the provinces thanks to the higher availability, except in Tete, where prices remained on the rise and kept higher compared to the previous six months and last year's prices. In June 2023, compared to December 2022, the prices increased in just two provinces, Cabo Delgado and Tete, with Tete presenting the highest increase of +48.9 percent which's two times the increase observed in Cabo Delgado. Compared to the last year (June 2022). The butter beans prices eased in 2 southern provinces, Maputo and Inhambane, including one northern province of Niassa and increased considerably in Tete and Zambezia provinces at +76.0 and +34.5 percent.

The highest price for Butter beans was observed in Manica at 115 Mt/Kg and the lowest at 77 Mt/Kg in Sofala in June 2023.



 **Vegetable oil (local):**

In June 2023, compared with the previous month, vegetable oil prices dropped in 3 provinces Manica 22.2 percent, Inhambane 2.0 percent and Sofala 1.3 percent; however, they remained unchanged in Cabo Delgado and Zambezia. Tete and Maputo had risen considerably by +19.7 percent and +16.7 percent, respectively nevertheless Tete being the province with the lowest price for the current month of June 2023. Compared to the same period last year the current prices only showed an increase of +15.0 percent in Zambezia province. The highest price (June 2023) was observed in Zambezia (190 Mt/l) and the lowest at 132 Mt/l in Tete province.



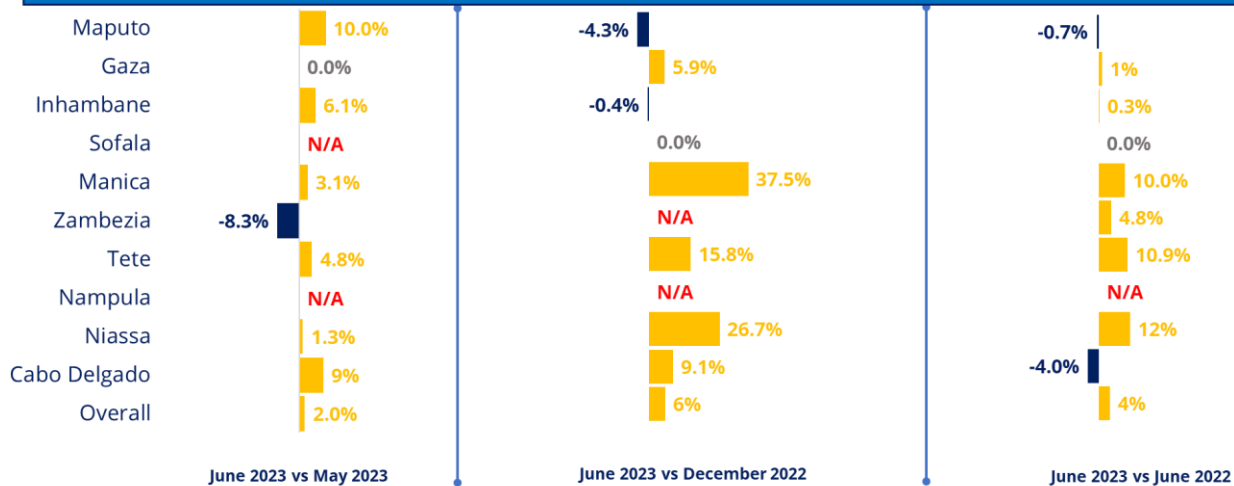


Rice (imported):

In June 2023, compared to the previous month, the price of imported rice increased in almost all the provinces except for Zambezia, where prices dropped by 8.3 percent while in Gaza, prices remained unchanged. Moreover, Manica showed the highest price increases (+37.5 percent), followed by Niassa (+26.7 percent) and Cabo Delgado (+9.1 percent) compared to December 2022. Last year rice prices eased by 4.0 percent in Cabo Delgado and by 0.7 percent in Maputo. The highest increase was observed in Cabo Delgado (+12 percent) followed by Tete and Manica (+10.9 and +10.0 percent, respectively).

The highest price was observed in Tete (73 Mt/Kg) and the lowest in Sofala (50 Mt/kg) province in June 2023.

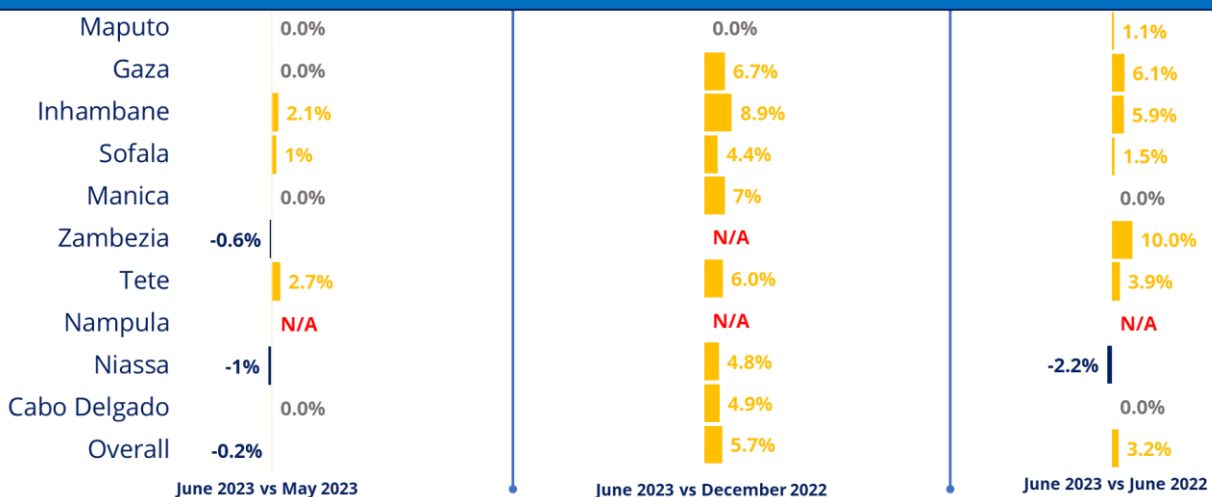
Figure 10. Provincial price change of Rice (imported) – June 2023 MtM, Mt6M and YtY



Brown sugar (local):

In the case of 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 remained unchanged in four (4) provinces (Maputo, Gaza, Manica, and Cabo Delgado) and presented a slight increase of +2.7 percent in Tete province and +2.1 percent in Inhambane. Considering December 2022, the prices increased in all the provinces, except in Maputo where prices remained unchanged, and the highest increase of the last six months was observed in Inhambane (8.9 percent), followed by Manica (7.0 percent). The highest price for local brown sugar in June 2023 was observed in Zambezia (83 Mt/Kg) and the lowest (73 Mt/Kg) in Niassa province.

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





Fuel

Since the last fuel price update occurred between April and June 2022, in which an increase of about 7.6 percent was applied by the Energy Regulatory Authority (ARENE)⁶, in May 2023 a revision on prices were announced by the Government adjusting cost as below:

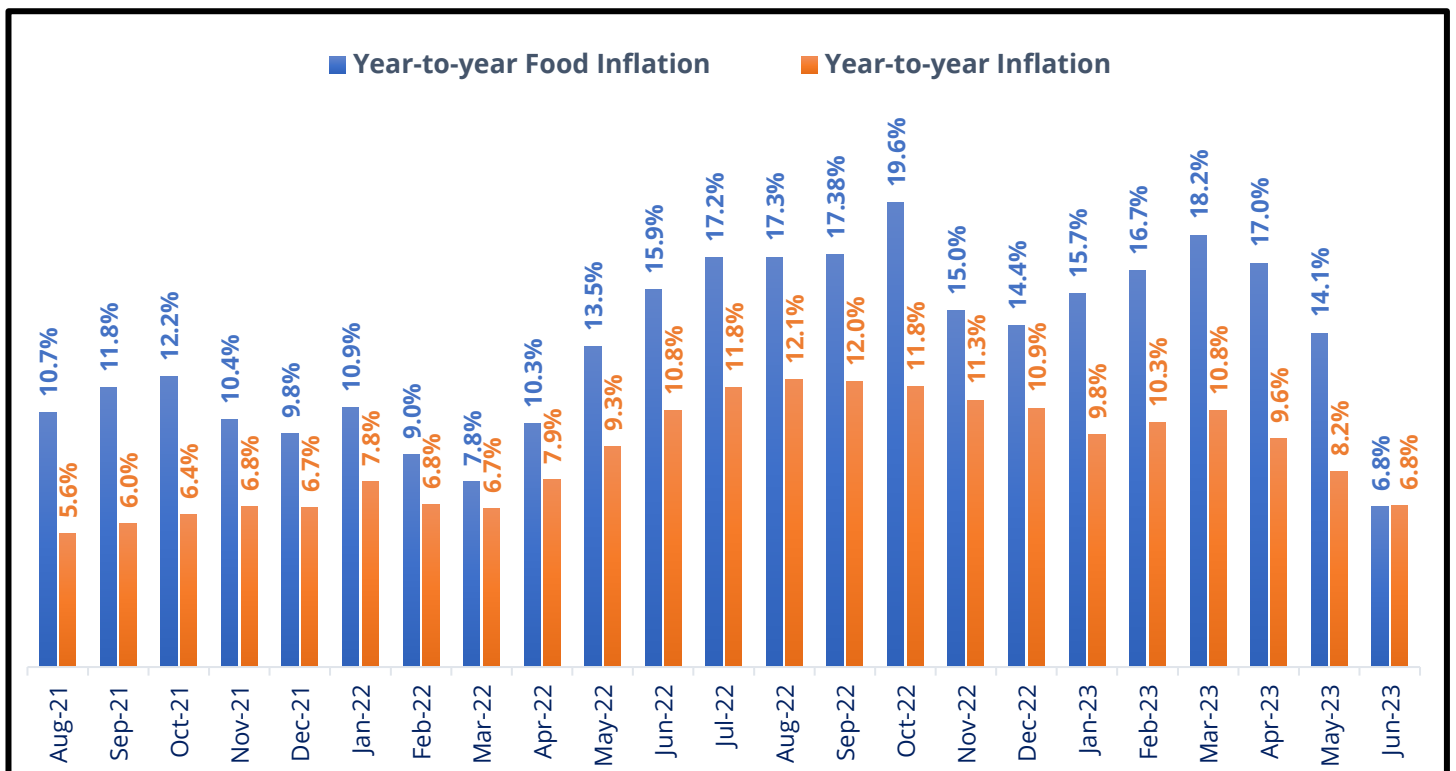
- Diesel commercialized at 94.75 meticaís a liter – an increase of +7.71 percent from the previous 87.97 meticaís
- Gasoline commercialized at 85.49 meticaís a liter after a decrease of 1.70 percent from the previous 86.97 meticaís, and
- Cooking gas at 90.01 meticaís from the previous 102.02 meticaís a kilogram approved in the same period of last year



Inflation

The annual inflation rate in Mozambique fell for a third month to 6.81% in June 2023, down from 8.23% in the prior month and hitting its lowest point since March 2022. Prices decelerated mostly for food & non-alcoholic beverages (6.77% vs 14.07% in May). A considerable decrease from the highest Food headline in October 2022 (+19.6 percent) to +6.77 percent in June 2023, being the first time where Food Inflation is lower than overall inflation. Prices continued to advance sharply for food and non-alcoholic beverages (18.20% vs. 16.71% in February). On a monthly basis, consumer prices were eased at 0.58% after decreasing by 0.39% in the previous month.

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



⁶ <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. June 2023 retail market price (median) of main commodities in different districts⁷

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	22	-38.7% ▼	-5.6% ▼	16.5% ▲	Groundnuts	Overall	104	-2.3% ▼	-7.5% ▼	6.2% ▲
	Cabo Delgado	25	-32.3% ▼	33.3% ▲	39.8% ▲		Cabo Delgado	-	-	-	-
	Niassa	18	-32.6% ▼	4.9% ▲	71.5% ▲		Niassa	152	0.0%	-	-
	Nampula	-	-	-	-		Nampula	-	-	-	-
	Tete	21	-27.2% ▼	15.6% ▲	77.6% ▲		Tete	152	-	225.1% ▲	133.4% ▲
	Zambezia	18	-49.9% ▼	-	39.3% ▲		Zambezia	60	0.0%	-	-8.9% ▼
	Manica	16	11.6% ▲	-12.8% ▼	-7.0% ▼		Manica	95	-	-25.0% ▼	-25.0% ▼
	Sofala	18	-	-30.8% ▼	53.3% ▲		Sofala	75	-16.7% ▼	-18.9% ▼	-34.8% ▼
	Inhambane	23	-37.5% ▼	-13.5% ▼	-5.5% ▼		Inhambane	100	-7.7% ▼	-3.2% ▼	0.0%
	Gaza	23	-6.2% ▼	0.8% ▲	-2.2% ▼		Gaza	100	0.0%	-13.0% ▼	0.0%
Maputo	23	-38.3% ▼	0.0%	9.3% ▲	Maputo	94	-20.1% ▼	-35.2% ▼	-14.7% ▼		
Maize Meal	Overall	54	-2.8% ▼	1.3% ▲	-3.0% ▼	Cowpeas	Overall	65	-3.5% ▼	1.3% ▲	23.8% ▲
	Cabo Delgado	60	0.0%	0.0%	9.1% ▲		Cabo Delgado	50	0.0%	25.0% ▲	66.7% ▲
	Niassa	73	1.2% ▲	4.8% ▲	4.8% ▲		Niassa	121	0.0%	0.0%	45.7% ▲
	Nampula	-	-	-	-		Nampula	-	-	-	-
	Tete	50	0.0%	0.0%	0.0%		Tete	38	-	14.3% ▲	36.7% ▲
	Zambezia	53	5.0% ▲	-	-4.5% ▼		Zambezia	41	14.6% ▲	-	-1.0% ▼
	Manica	60	-14.3% ▼	0.0%	0.0%		Manica	95	-4.7% ▼	-	-
	Sofala	57	-	-4.6% ▼	-4.6% ▼		Sofala	36	-	-5.2% ▼	-21.0% ▼
	Inhambane	51	1.1% ▲	1.1% ▲	0.3% ▲		Inhambane	80	39.1% ▲	14.3% ▲	32.1% ▲
	Gaza	50	-9.1% ▼	0.0%	0.0%		Gaza	54	-5.8% ▼	-16.1% ▼	-9.7% ▼
Maputo	50	0.0%	0.0%	0.0%	Maputo	55	-22.3% ▼	-13.4% ▼	-31.2% ▼		
Rice	Overall	59	2.0% ▲	6.3% ▲	4.3% ▲	Wheat flour (local)	Overall	61	-0.6% ▼	11.3% ▲	7.2% ▲
	Cabo Delgado	60	9.1% ▲	9.1% ▲	-4.0% ▼		Cabo Delgado	50	0.0%	0.0%	0.0%
	Niassa	63	1.3% ▲	26.7% ▲	11.8% ▲		Niassa	75	-0.6% ▼	6.6% ▲	6.6% ▲
	Nampula	-	-	-	-		Nampula	-	-	-	-
	Tete	73	4.8% ▲	15.8% ▲	10.9% ▲		Tete	58	-4.2% ▼	60.5% ▲	7.8% ▲
	Zambezia	55	-8.3% ▼	-	4.8% ▲		Zambezia	59	-12.3% ▼	-	-13.0% ▼
	Manica	55	3.1% ▲	37.5% ▲	10.0% ▲		Manica	58	-4.2% ▼	-4.2% ▼	-4.2% ▼
	Sofala	50	-	0.0%	0.0%		Sofala	50	-	0.0%	-28.6% ▼
	Inhambane	60	6.1% ▲	-0.4% ▼	0.3% ▲		Inhambane	55	0.0%	4.8% ▲	7.3% ▲
	Gaza	60	0.0%	5.9% ▲	1.4% ▲		Gaza	65	-7.1% ▼	13.0% ▲	0.0%
Maputo	55	10.0% ▲	-4.3% ▼	-0.7% ▼	Maputo	60	15.4% ▲	4.3% ▲	6.9% ▲		
Vegetable Oil	Overall	153	-1.8% ▼	-5.6% ▼	-10.6% ▼	Groundnuts Large	Overall	98	4.9% ▲	-1.9% ▼	8.0% ▲
	Cabo Delgado	160	0.0%	0.0%	-30.4% ▼		Cabo Delgado	70	-10.3% ▼	-1.8% ▼	16.7% ▲
	Niassa	163	0.4% ▲	-5.3% ▼	-3.9% ▼		Niassa	-	-	-	-
	Nampula	-	-	-	-		Nampula	-	-	-	-
	Tete	132	19.7% ▲	-26.2% ▼	-28.2% ▼		Tete	100	-	66.7% ▲	62.2% ▲
	Zambezia	190	0.0%	-	15.2% ▲		Zambezia	-	-	-	-
	Manica	140	-22.2% ▼	7.7% ▲	-6.7% ▼		Manica	97	-	-25.0% ▼	-25.0% ▼
	Sofala	168	-1.3% ▼	11.9% ▲	-6.4% ▼		Sofala	-	-	-	-
	Inhambane	150	-1.5% ▼	-10.2% ▼	-11.5% ▼		Inhambane	100	1.7% ▲	8.8% ▲	9.1% ▲
	Gaza	158	4.1% ▲	-5.3% ▼	-11.3% ▼		Gaza	100	10.2% ▲	-9.1% ▼	0.0%
Maputo	140	16.7% ▲	-5.6% ▼	-5.9% ▼	Maputo	112	11.8% ▲	39.7% ▲	17.7% ▲		
Beans (Butter)	Overall	102	0.9% ▲	8.6% ▲	9.7% ▲	Cassava	Overall	44	4.2% ▲	22.3% ▲	14.4% ▲
	Cabo Delgado	90	0.0%	24.1% ▲	2.9% ▲		Cabo Delgado	-	-	-	-
	Niassa	108	-8.0% ▼	-33.0% ▼	-2.3% ▼		Niassa	-	-	-	-
	Nampula	-	-	-	-		Nampula	-	-	-	-
	Tete	97	93.6% ▲	48.9% ▲	76.0% ▲		Tete	-	-	-	-
	Zambezia	98	-7.1% ▼	-	34.5% ▲		Zambezia	44	4.2% ▲	-	1.4% ▲
	Manica	115	-23.1% ▼	-0.0% ▼	-		Manica	-	-	-	-
	Sofala	77	-	-13.0% ▼	-14.2% ▼		Sofala	-	-	-	-
	Inhambane	100	0.0%	0.0%	0.0%		Inhambane	-	-	-	-
	Gaza	100	0.0%	0.0%	2.6% ▲		Gaza	-	-	-	-
Maputo	93	-6.2% ▼	-7.9% ▼	-7.9% ▼	Maputo	-	-	-	-		
Sugar	Overall	78	-0.2% ▼	5.7% ▲	3.2% ▲	Beans Catarino	Overall	102	-0.8% ▼	6.3% ▲	5.4% ▲
	Cabo Delgado	80	0.0%	4.9% ▲	0.0%		Cabo Delgado	107	-11.1% ▼	23.7% ▲	12.3% ▲
	Niassa	73	-1.1% ▼	4.8% ▲	-2.2% ▼		Niassa	111	-6.3% ▼	-31.4% ▼	-2.7% ▼
	Nampula	-	-	-	-		Nampula	-	-	-	-
	Tete	80	2.7% ▲	6.0% ▲	3.9% ▲		Tete	103	105.1% ▲	44.8% ▲	81.0% ▲
	Zambezia	83	-0.6% ▼	-	10.0% ▲		Zambezia	98	-7.1% ▼	-	34.5% ▲
	Manica	80	0.0%	6.7% ▲	0.0%		Manica	115	-23.1% ▼	-0.0% ▼	-0.0% ▼
	Sofala	76	1.5% ▲	4.4% ▲	1.5% ▲		Sofala	77	-	-15.6% ▼	-9.8% ▼
	Inhambane	79	2.1% ▲	8.9% ▲	5.9% ▲		Inhambane	100	0.0%	0.0%	0.0%
	Gaza	80	0.0%	6.7% ▲	6.1% ▲		Gaza	100	11.1% ▲	0.0%	2.6% ▲
Maputo	75	0.0%	0.0%	1.1% ▲	Maputo	97	-10.5% ▼	3.4% ▲	-7.3% ▼		

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