Review of the Evolution of Basic Food Prices in Mozambique

- December 2012 & January 2013 -

Source data: SIMA retail prices + INE monthly Consumer Price Indexes

Note: the Food Price Index\(^1\) has been designed to allow comparisons with previous years. The reference period for the 100-point benchmark is based on the agricultural seasons\(^2\) of 2009/10 and 2010/11 (24 months) and the composition of the basic food basket has been adapted\(^3\).

OVERVIEW

On average, prices are continuing increasing from November 12 to January 13. Looking month by month, average price increment at the rate of 1.8 % was observed in the period of November to December and 2.4 % were observed from December 12 to January 13.

Geography

A review of the Food Price Index shows that prices of major food commodities for the period November 12 to December 12 increases by 1.4% in the South, 2.1 % in the Centre and 2.2 % in the North.

### Table 1: Regional averages and market price range – December 12

<table>
<thead>
<tr>
<th>Food Price Index</th>
<th>Regional averages (and change since last report)</th>
<th>Range (min-max)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>South (+1.4%)</td>
<td>Centre (+2.1%)</td>
</tr>
<tr>
<td>MAIZE</td>
<td>12.3 (+4%)</td>
<td>11.1 (+1%)</td>
</tr>
<tr>
<td>RICE</td>
<td>27.4</td>
<td>27.3 (-2%)</td>
</tr>
<tr>
<td>COW PEAS</td>
<td>25.8 (+4%)</td>
<td>32.0 (+29%)</td>
</tr>
<tr>
<td>BEANS</td>
<td>46.9 (+4%)</td>
<td>34.9 (+5%)</td>
</tr>
<tr>
<td>WHEAT FLOUR</td>
<td>26.8 (+3%)</td>
<td>27.2 (+4%)</td>
</tr>
</tbody>
</table>

### Table 2: Regional averages and market price range – January 13

<table>
<thead>
<tr>
<th>Food Price Index</th>
<th>Regional averages (and change since last report)</th>
<th>Range (min-max)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>South (+5.0%)</td>
<td>Centre (+1.6%)</td>
</tr>
<tr>
<td>MAIZE</td>
<td>13.7 (+8%)</td>
<td>11.9 (+7%)</td>
</tr>
<tr>
<td>RICE</td>
<td>28.5 (+4%)</td>
<td>27.1 (-0%)</td>
</tr>
<tr>
<td>COW PEAS</td>
<td>28.5 (+11%)</td>
<td>25.0 (+4%)</td>
</tr>
<tr>
<td>BEANS</td>
<td>51.7 (+10%)</td>
<td>36.5 (+7%)</td>
</tr>
<tr>
<td>WHEAT FLOUR</td>
<td>27.7 (+3%)</td>
<td>27.3 (+1%)</td>
</tr>
</tbody>
</table>

For the period from December 12 to January 13 the similar scenario was observed with greater prominence in the South with 5%, 1.6% in Centre and 0.2 % in North.

From December 12 to January 13, maize prices are contributing significantly to the increase of food price index. From November to December 12, maize prices have increased in all regions (South by 4%, Centre by 1% and North by 4%) and from December 12 to January 13, maize prices increase in South (by 8%) and Centre(by 7%) and decreases in North by (-3%).

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\(^1\) Value based on prices of various food items, weighed in accordance with food importance, and compensating for commodities’ average price levels.

\(^2\) Based on an average agricultural cycle running from May to April.

\(^3\) now based on the findings of the Household Budget Survey (IOF) 2008/09, by the National Institute of Statistics (INE), depending on availability of price data.
From November 12 to December 12, the highest increase in maize prices, by 50%, was registered in Chokwe and highest decrease; by 24% it was observed in Mocuba. From December 12 to January 13, the highest increase of maize prices, by 50%, was observed in Xai-Xai and the highest decrease, by 17%, was observed in Montepuez.

The maize price increment in Chokwe and Xai-Xai could be linked to the festive season (December) were normally prices are getting higher combine with increment of demand and in January 13 could be linked to the floods occurred in Limpopo Basin from since third decade of January 13. Despite the general increase of the food price index, there are some markets where the prices actually dropped during the period under review. Out of the 25 monitored markets, 8 show overall decrease in December 12 (-5.6% in Chimoio) and 5 markets in January 13 (6% in Nampula).

In December 12, with FPIs of 127, Lichinga was the market with the highest food prices, while Nacala was the cheapest with an FPI of 88, indicating around 69% cheaper food basket. In the past three months Chokwe was the market with the highest food price. In January 13, with FPI of 130, Lichinga was the most expensive market and Nacala was the cheapest with an FPI of 88. (Other values in the chart below)
Maize is showing an increment in all regions except the North region where from December 12 to January 13 is decreasing. For December 12, the maximum price of 14.91 MZM/Kg was observed in Chokwe market while the minimum was registered at Milange market (9.0 MZM/Kg). The price of maize grain is still generally higher compared with same period of previous years by +40% and slightly higher by +0.6% compared with 5 years average.

For January 13, the maximum price of 14.91 MZM/Kg was observed in Chokwe market while the minimum was registered at Milange market (9.0 MZM/Kg). The price of maize grain is still generally higher compared with same period of previous years by +41% and slightly higher by 6% compared with 5 years average.

For December 12, maize meal price is currently slightly cheaper in the South (30 MZM/kg) against 34.2 MZM/Kg in the Centre and 38.0 MZM/Kg in the North. In South the prices remain similar while in Centre prices increase by 2% and by 2% in North. The maize meal prices are slightly higher than the 5-year average by 1% and higher compared with same period of last year by 13%.

For January 13, the similar situation as December 12 it was observed where maize meal price is currently slightly cheaper in the South (31.1 MZM/kg) against 34.3 MZM/Kg in the Centre and 34.5 MZM/Kg in the North. In the South the prices increases by 5% and in the North prices increase by 5%. The maize meal prices are slightly higher than the 5-year average by 2% and higher compared with same period of last year by 20%.

Rice is one of the few commodities that show similar prices between the different regions and change little over time although currently some differences are observed in the North (30.8 MZM/Kg in December 12).

For December, it is currently slightly cheaper in the Centre compared with other region. Contrary to maize grain and maize meal, the current price of rice is significantly cheaper compared with the last 5 years average (-8.3%) and also cheaper compared with the same period of last year by -3.8 %.

For January 13, the current price of rice is slightly higher compared with same period of last year and cheaper compared with the last 5 years average by -7.1%.

In December 12, the prices of cowpeas show higher increase in Center (29%) and slightly increase in the South (by 4%) and in the North (by 6%). One particularity of cow peas is that the price range is very wide from8.0 MZN/kg in Ribaue to 45.0 MZN/kg in Alto Molocue. The December 12 cowpea prices are slightly higher compared with 5 years average (1.1 %) and cheaper compared with same period of previous year (-15.3%).

For January 13, the higher increase of price it was observed in the South (11%) and the North (1%) and decreases in Center by 4%. Contrary to December 12, the currently cowpea price are cheaper compared with 5 years average (-8.8 %) and with same period of previous year (-16.3%).

For December 12, the prices of beans are continuing to increasing by the same rate in all regions. Beans prices are slightly cheaper compared with the last 5 years average (-12.3 %) and with the same period of previous year (-13.0 %).

For January 13, the price of beans increased in the South (11%) and the North (1%) and decreased by -4% in Centre. Beans prices are slightly cheaper compared with the last 5 years average (-10.0 %) and with the same period of previous year (-11.5 %).
Fig 3: Food price comparison – December 2012

Comparison of the price of various items over time

Average price per unit (MZN/kg or MZN/l)

- Maize meal
- Coarse maize meal
- Rice
- Fine maize meal
- Cowpeas
- Beans
- Small groundnuts
- Big groundnuts
- Wheat flour
- Vegetable oil
- Sugar

Fig 4: Food price comparison – January 2013

Comparison of the price of various items over time

Average price per unit (MZN/kg or MZN/l)

- Maize meal
- Coarse maize meal
- Rice
- Fine maize meal
- Cowpeas
- Beans
- Small groundnuts
- Big groundnuts
- Wheat flour
- Vegetable oil
- Sugar