**Review of the Evolution of Basic Food Prices in Mozambique**

- May 2013 -

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

*Note:* the Food Price Index¹ has been designed to allow comparisons with previous years. The reference period for the 100-point benchmark is based on the agricultural seasons² of 2009/10 and 2010/11 (24 months) and the composition of the basic food basket that has been adopted³.

**OVERVIEW**

On average, prices are decreasing since February 2013. From April to May of 2013, price decreases at the rate of 4.7 %. (-4.6 % of decrease was observed from March to April of 2013).

**Geography**

A review of the Food Price Index shows that prices of major food commodities for the period April to May 2013 decreased by -5.5 % in the South; by -2.2% in the Centre and by -9.5% in the North.

**Table 1: Regional averages and market price range – May 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</td>
<td>Centre</td>
</tr>
<tr>
<td>MAIZE</td>
<td>101</td>
<td>98</td>
</tr>
<tr>
<td>RICE</td>
<td>11.3</td>
<td>7.7</td>
</tr>
<tr>
<td>COW PEAS</td>
<td>28.2</td>
<td>30.3</td>
</tr>
<tr>
<td>BEANS</td>
<td>50.8</td>
<td>37.8</td>
</tr>
<tr>
<td>WHEAT FLOUR</td>
<td>31.0</td>
<td>26.3</td>
</tr>
</tbody>
</table>

From April to May 2013, maize prices have decreased countrywide with more prominence in the North with -24 % of decrease, followed by South with -14%. This general decrease of maize price is continuing linked to the harvest period where the availability of maize increased in most markets.

Despite the general decrease of the food price index, there are some markets where the prices are continued to increase during the period under review. Out of the 25 monitored markets, 3 showed overall increment in May 2013 (7 % in Nhamatanda).

In May 2013, with FPIs of 118, **Chokwe** was the market with the highest food prices, while **Mocuba** are continuing as cheapest with an FPI of 83, indicating around 43 % cheaper food basket compared to the highest (Chokwe). (Other values in the chart below)

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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.
Food Basket

According to SIMA data, the average cost of the Food Basket\(^4\) in May 2013 is 7,619.00MZM (decrease of -1.5 % compared to April 2013 Food Basket cost). The highest decrease of the food basket cost from April to May 2013 was observed in Gorongoza (by -9%). In general, the cost of food basket went slightly down from April to May 2013 countrywide. (Other values in the chart below)

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\(^4\) The calculation of food basket considered the following products: rice, maize flour, beans, groundnuts, oil, sugar, dried fish and green leaves. Given that maize is the most consumed cereal by households, the cost of FB was calculated assuming that households will buy maize grain and will process manually.
**Food products**

From April to May 2013 the maize prices are decreasing countrywide. For May 2013, the maximum price of 12.7 MZM/Kg was observed in Maputo market while the minimum was registered at the Mutarara market (5.7 MZM/Kg). The price of maize grain is still very high compared with same period of last year by +31% (6.62 MZM to 8.71 MZ) and higher by +8.4% compared with the last 5 years average.

For May 2013, maize meal price was slightly cheaper in the South (31.7 MZM/kg) against 34.3 MZM/Kg in the Centre and 39.0 MZM/Kg in the North. In the South the prices remain the same compared with last month (April 2013) and decreased by -4% in the Centre and by -9% in the North. Contrary to maize, the current maize meal prices are cheaper than the last 5 years average by -9.8% and higher compared with same period of last year by 7.4%.

In May 2013, the rice was slightly cheaper in the North (26.30 MZM/Kg) compared with other region (28.2 MZM/Kg in the South and 30.3 MZM/Kg). The current price of rice is slightly higher compared with the last 5 years average +1.6%) and slightly cheaper by -0.7% compared with the same period last year.

In May 2013, the prices of cowpeas decreased in the South by -26% and by -7% in the North; however, it increased in the Centre by 9%. Normally cowpea show wide range price variation, from 12.7 MZN/kg in Manica to 55.7 MZN/kg in Alto Molocue. The May 2013 cowpea prices are higher compared with the last 5 years average (by +3.4%) and by +6.8% compared with same period last year.

In May 2013, the prices of beans decreased in the South and Centre by -7% and -6% respectively. Beans prices are slightly higher compared with the last 5 years average (+1.1%) and higher compared with the same period last year (by +20.3%).

**Fig 3: Food price comparison – May 2013**