Maize grain prices highest in Gaza province

Key points:

- In August and September, maize grain prices rose in Gaza, which also had the highest prices.
- Maize meal prices increased in Tete, particularly in Mutarara in August and September.
- Shortages in maize grain stocks were indicated by at least 50 percent of traders in all monitored locations.
- Food shortages in Zimbabwe are reducing food availability in Mozambique.

In the words of the traders:

“Situation is bad because there is no rain, food prices are increasing and purchasing power is reducing.”
- Trader from Chibuto, Gaza Province, August

“Situation is bad because it is difficult to restock because of security problems and reduced transport to food sources.”
- Trader from Tete City, Tete Province, August

“There is less maize available because I bring it from Zimbabwe and there the availability also reduced.”
- Trader from Chifunde, Tete Province, September

“There is no rain, irrigation system is without water and cattle is dying.”
- Trader from Chokwe, Gaza Province, September

Source: mVAM, August-September 2016
Maize grain prices increase in Gaza

mVAM data showed a steady increase in the average price of maize grain through August and September in Gaza. However, in Tete, the price of maize grain fell in September compared with July and August. In September, maize grain was 24 percent more expensive in Gaza than in Tete; markets in Tete received more maize grain from the northern provinces and from highly productive districts such as Zumbo. Across the surveyed districts, the highest prices were reported in Chibuto in Gaza (MZN31.39/kg in August and MZN31.5/kg in September), as maize production was severely reduced by drought in this province. The lowest prices were observed in Zumbo. Prices in Beira remained fairly stable from July to September.

Tete continued to record the highest price for maize meal (MZN50.29/kg in August and MZN51.07/kg in September); September prices were over 25 percent higher than July prices. The highest prices in the province were reported in Magoe, which does not grow large quantities of maize. The cheapest maize meal was in Zumbo, which is one of the main maize production areas. In Gaza, the highest price in September was reported in Xai-Xai, while the lowest was in Massingir.

Map 1: Maize grain prices in September (left) and August 2016

Source: mVAM, August and September 2016
Rice and oil remain expensive as the currency continues to depreciate

The Mozambican metical has continued to depreciate against the US dollar and the South African rand, thus the already high prices for imported foods such as rice and cooking oil increased in most surveyed districts. Rice was most expensive in remote Zumbo (Tete) at MZN58/kg – this area is quite far from Tete City and thus from the wholesalers. Rice was cheapest in Moatize (Tete) at MZN40/kg; this district is only 25 km away from Tete City.

The most expensive cooking oil in September was in Zumbo (MZN150/litre). Magoe saw the highest increase in oil prices (30 percent) from July to August. Massingir (Gaza) recorded the lowest price in September (MZN107.25/litre).
In August and September, only 50 percent of the traders confirmed the availability of maize grain in their shops, while 88 percent had maize meal and rice, 92 percent had cooking oil and 25 percent had beans.

Regarding stock shortages foreseen in the following week, in 46 calls traders said they were likely to run out of stocks and be unable to restock, either because of a lack of money or because products were not available at their source markets. Traders were asked about the causes of stock shortages: 26 percent mentioned high prices, 15 percent mentioned unavailability of products, 13 percent pointed to a lack of money, 10 percent said it was because they were involved in other activities and could not purchase the items, and 9 percent blamed a lack of transport. The remaining 26 percent mentioned the armed conflict, a lack of staff, bad roads, the unavailability of products in Zimbabwe, and import and customs problems.

Traders saw a fall in purchasing power in August compared with July. Along with rising food prices, delays in salary payments reduced people’s capacity to purchase food. In Tete, the purchasing power of households dependent on tobacco production fell as the tobacco harvest and sale period ended. People continue to buy fewer products and much smaller quantities than before. Maize meal is the most frequently bought product. Some traders observed that households who had a good maize harvest were expected to have food reserves lasting 1 to 2 months, depending on the size of their household.

In the central region, traders reported that food producers were migrating because of the conflict. As a result, there is less food on sale in these districts. This lack of food is being compounded by the reduced availability of maize in Zimbabwe, which was a source of imported food. Lack of rainfall in the past few months has resulted in loss of livestock, as well as dry irrigation systems and dams. In the lowlands along the rivers, some households have been able to plant maize and vegetables, but the crops are not yet ready to harvest. A few traders mentioned recent harvests of pumpkin and beans. Some households are selling charcoal as a means to earn money to buy food. It was also mentioned that in Gaza, the salinity of tap water is increasing.

The August and September surveys were conducted using live calls for a sample of 82 traders across 17 districts in Gaza, Tete and Sofala. The survey questions focused on the prices of basic foods such as maize grain, maize meal, rice and cooking oil. There was also an open-ended question to gauge traders’ perception of the food security situation in their areas.

Phone surveys contain inherent response biases; therefore, the bulletin reports patterns and trends rather than precise estimates.