Staple food prices in Tanzania

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Main staples

- Maize is main staple, accounting for one third of caloric intake
- Cassava is second
- Rice contributes 8% of caloric intake
- Wheat and sorghum each represent 4%

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Quantity consumed (kg/person/year)</th>
<th>Daily caloric intake (kcal/person/day)</th>
<th>Share of caloric intake (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>73</td>
<td>655</td>
<td>33</td>
</tr>
<tr>
<td>Cassava</td>
<td>157</td>
<td>298</td>
<td>15</td>
</tr>
<tr>
<td>Rice</td>
<td>16</td>
<td>154</td>
<td>8</td>
</tr>
<tr>
<td>Wheat</td>
<td>10</td>
<td>79</td>
<td>4</td>
</tr>
<tr>
<td>Sorghum</td>
<td>9</td>
<td>79</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>730</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,917</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Importance of trade

- Maize imports and exports are quite small
  - Partly due to frequent bans on maize exports
- Cassava and sorghum are essentially non-tradable
- Rice imports account for 8% of domestic requirements
- Wheat is largely imported
  - Re-exports to interior countries

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Production (1000 tonnes)</th>
<th>Imports (1000 tonnes)</th>
<th>Exports (1000 tonnes)</th>
<th>Imports as a share of apparent consumption (percent)</th>
<th>Exports as a share of production (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>3,405</td>
<td>116</td>
<td>70</td>
<td>3.4%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Cassava</td>
<td>6,099</td>
<td>0</td>
<td>1</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rice</td>
<td>817</td>
<td>71</td>
<td>10</td>
<td>8.1%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Wheat</td>
<td>96</td>
<td>643</td>
<td>31</td>
<td>90.9%</td>
<td>32.4%</td>
</tr>
<tr>
<td>Sorghum</td>
<td>780</td>
<td>1</td>
<td>1</td>
<td>0.0%</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

Importance of trade – Trade flows

- Maize surpluses in southern highlands and northern highlands
- Maize flows to Dar, central Tanzania, Zambia & Malawi, and Kenya (when permitted)
- Rice surplus zones in Lake area and Morogoro
- Rice flows to Dar, Kenya, and Uganda
Price trends - Maize

- Local maize prices not closely linked to world prices
- Dar price rose in 2007 before world price did
- Remains high even after world price declined

Maize, Dar es Salaam wholesale
Maize, US No 2 yellow maize, FOB Gulf

Price trends - Maize

- Maize prices in different Tanzanian markets move together
- Lowest prices in southern highlands (surplus zone)
- Highest prices in Mtwara and Dar (deficit zones)
Price trends - Rice

- Local rice prices not closely linked to world prices
- Dar price rose in 2007 before world price did
- Remains high even after world price declined

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Price trends - Rice

- Local rice prices in different markets move together
- No close link between local and world prices
- World prices are lower and more stable than local prices
**Price trends-Seasonality**

- Both maize and rice prices fall in June-July as harvest begins.
- Begin to rise in August, as market supplies depend on stored rice.
- Surplus regions are more seasonal than deficit regions.
- Maize is more seasonal than rice.
- World prices are lower and more stable than local prices.

**Food policy**

- Strategic grain reserve (mostly maize), but historically purchases and sales have been small relative to size of market.
- Maize export bans when price is high or food insecurity somewhere in country (most of the time):
  - Affects southern highlands which sometimes exports to northern Zambia and Malawi.
  - Affects northern highlands which sometimes exports to Kenya.
- Large fertilizer subsidy program – large voucher program launched in 2007.