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%

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

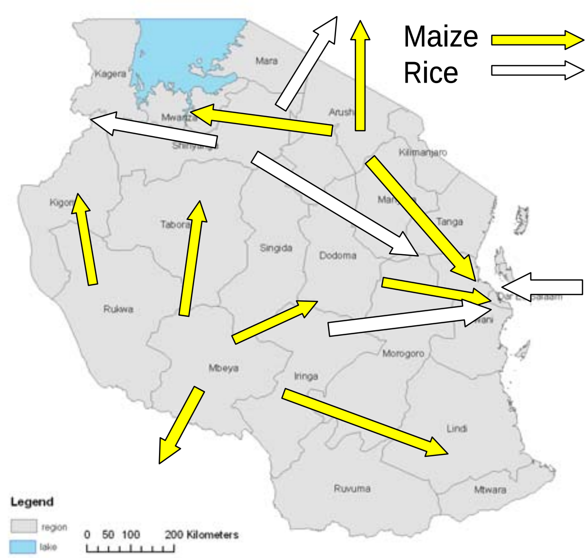
Importance of trade

- 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

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

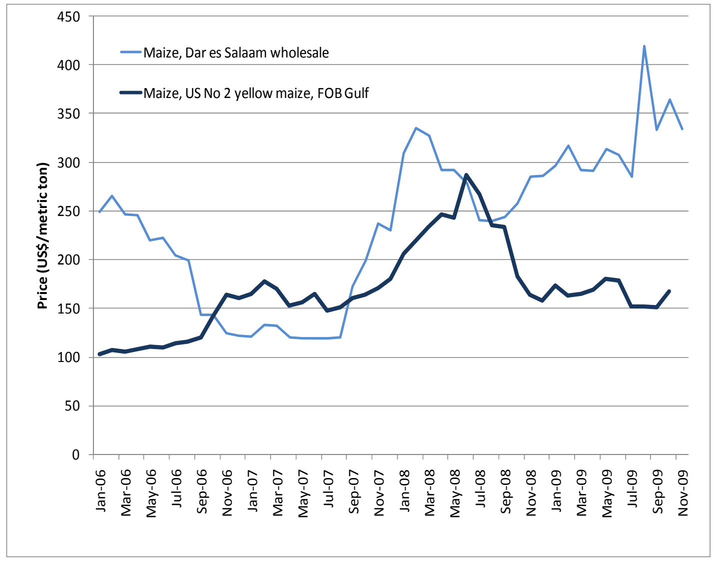
Importance of trade – Trade flows

- 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



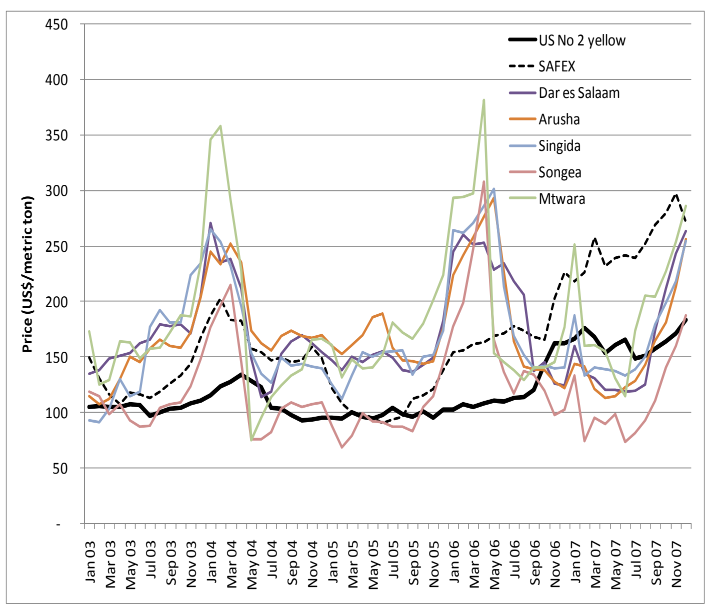
Price trends - Maize

- 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



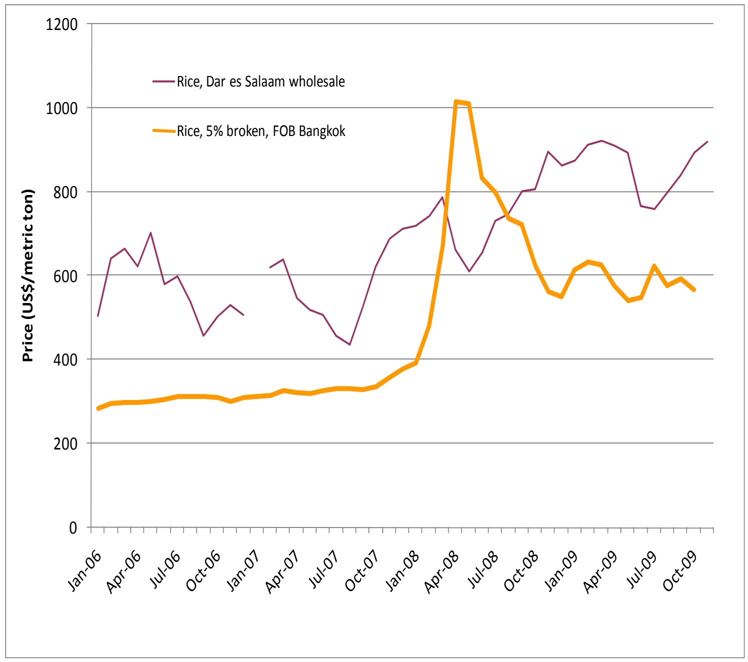
Price trends - Maize

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



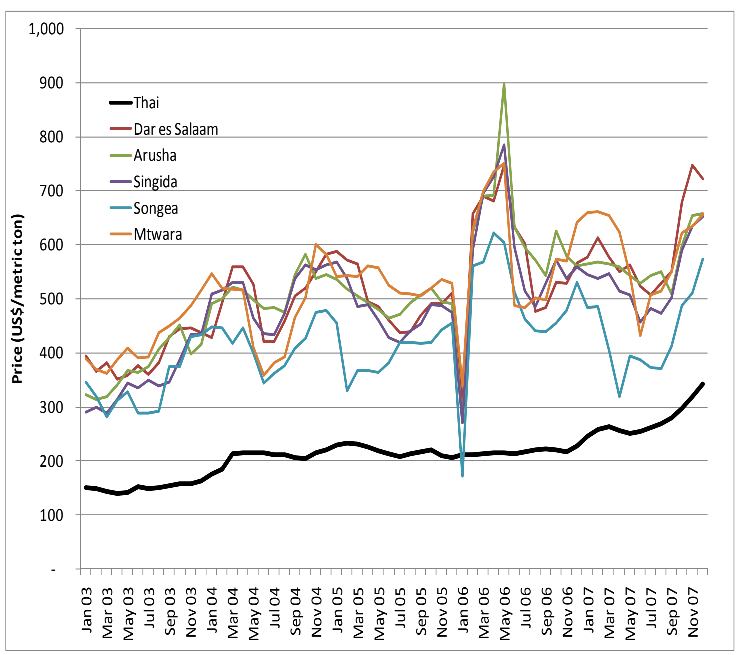
Price trends - Rice

- 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



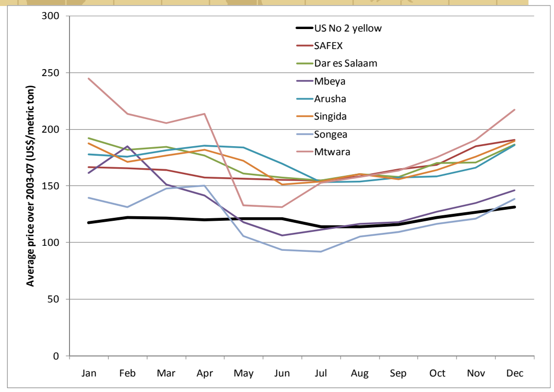
Price trends - Rice

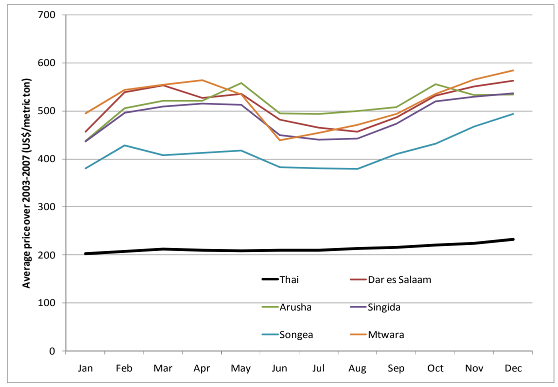
- Local rice prices in different markets move together
- No close link between local and world prices
- World prices are lower and more stable than local prices



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