Response to the diet transformation in East and Southern Africa: Observations from Mozambique and Tanzania

David Tschirley, Jaquelino Massingue, Gerivasia Mosse
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DNEAP/Min. of Plan and Finance
Maputo, Mozambique
27 May 2015
Focus

• The diet transformation in East and Southern Africa
  • Driven by urbanization and income growth
• How are local systems responding?
• Studies in:
  • Senegal
  • Nigeria
  • Ethiopia
  • Tanzania
  • Mozambique
    • Done in partnership with CEPPAG (Centro de Estudos)
Mozambique is urbanizing
Mozambique’s economic output has grown rapidly.
This is driving rapid growth in demand for food through markets

<table>
<thead>
<tr>
<th></th>
<th>Unprocessed</th>
<th>Processed, Low Value Added</th>
<th>Processed, High Value Added</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-perishable</strong></td>
<td>Legumes&lt;br&gt;Maize grain&lt;br&gt;others</td>
<td>Maize meal&lt;br&gt;Milled Rice&lt;br&gt;Sugar&lt;br&gt;Others</td>
<td>Veg oils&lt;br&gt;Breads&lt;br&gt;Food away from home&lt;br&gt;Others</td>
</tr>
<tr>
<td><strong>Perishable</strong></td>
<td>Vegetables&lt;br&gt;Fresh fish&lt;br&gt;Fruit&lt;br&gt;Others</td>
<td>Beef&lt;br&gt;Other meat (incl. poultry)&lt;br&gt;Dried/pkgd fish&lt;br&gt;Others</td>
<td>Food away from home&lt;br&gt;Dairy&lt;br&gt;Others</td>
</tr>
</tbody>
</table>
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“Business as Usual” projections of growth in market demand for food in East and Southern Africa, 2010-2040
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“Business as Usual” projections of growth in market demand for food in East and Southern Africa, 2010-2040

Huge opportunities!
And huge challenges

- Farm production and productivity
- Transport
- Processing
- Packaging
- Cold chain
- Distribution
- Food safety
- Nutrition
... and Mozambique is already highly dependent on imports
Net Agricultural Imports as Share of Agricultural Production, Countries of ESA, 1980 - 2011

Source: Author calculations from FAOSTAT
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Source: Author calculations from FAOSTAT
Processed foods, Dar es Salaam vs. Maputo
% of processed foods manufactured domestically, by food group, Dar es Salaam and Maputo (2015)
Processed foods, Dar es Salaam vs. Maputo

• Why is there so little locally processed food in Maputo?
• Will there be more in other cities?
• More generally
  • What factors drive the competitiveness of local food manufacturers?
  • What mix of policy and programs can improve competitiveness?
• What are the comparative “employment footprints” of food manufacturing in each country?
Research Plans

• Dynamics of change
• Processed foods inventory
  • Maputo, Chimoio, Nampula
• Retail survey, each city
  • We already see lots of change in wholesale and retail structure in Maputo
    • More supermarkets & more outside capital
    • Consolidation at wholesale
    • Vertical integration
  • Market shares, modern vs. “traditional”
Research Plans (2)

• Processor survey, each city
  • Poultry, feed (maize and soybean)
• Size distribution of firms
  • Market share by size
  • Employment:output ratios by size
  • Competitiveness against imports by size
Questions, comments, suggestions?
<table>
<thead>
<tr>
<th>Product Group</th>
<th>Country of Manufacture</th>
<th>Tanzania</th>
<th>Mozambique</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td># individual products</td>
<td>%</td>
</tr>
<tr>
<td>Processed grains products</td>
<td>Tanzania / Mozam.</td>
<td>189</td>
<td>88%</td>
</tr>
<tr>
<td></td>
<td>South Africa</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>Other Africa</td>
<td>2</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>24</td>
<td>8%</td>
</tr>
<tr>
<td>Packaged rice</td>
<td>Tanzania / Mozam.</td>
<td>27</td>
<td>56%</td>
</tr>
<tr>
<td></td>
<td>South Africa</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>Other Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>24</td>
<td>39%</td>
</tr>
<tr>
<td>Dairy products</td>
<td>Tanzania / Mozam.</td>
<td>53</td>
<td>27%</td>
</tr>
<tr>
<td></td>
<td>South Africa</td>
<td>14</td>
<td>9%</td>
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<tr>
<td></td>
<td>Other Africa</td>
<td>22</td>
<td>14%</td>
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<tr>
<td></td>
<td>Other</td>
<td>40</td>
<td>50%</td>
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<tr>
<td>Juices</td>
<td>Tanzania / Mozam.</td>
<td>12</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>South Africa</td>
<td>18</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Other Africa</td>
<td>22</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>16</td>
<td>30%</td>
</tr>
<tr>
<td>Poultry</td>
<td>Tanzania / Mozam.</td>
<td>17</td>
<td>89%</td>
</tr>
<tr>
<td></td>
<td>South Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>1</td>
<td>11%</td>
</tr>
</tbody>
</table>