Organization of the presentation

• Introduction
• What is happening?
  – Price trends

• Source and flow of commodities
  – Domestic production
  – Cross border trade (imports and exports)

• Government policies
Introduction

Commodities to be covered: maize, rice, and wheat

Food expenditure share (%)

<table>
<thead>
<tr>
<th></th>
<th>North</th>
<th>Central</th>
<th>South</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002/03</td>
<td>13.8</td>
<td>13.6</td>
<td>13.1</td>
<td>13.6</td>
</tr>
<tr>
<td>1996/97</td>
<td>4.0</td>
<td>4.8</td>
<td>8.8</td>
<td>5.4</td>
</tr>
<tr>
<td>Wheat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002/03</td>
<td>5.4</td>
<td>5.3</td>
<td>9.4</td>
<td>6.1</td>
</tr>
<tr>
<td>1996/97</td>
<td>1.1</td>
<td>1.1</td>
<td>6.9</td>
<td>2.3</td>
</tr>
<tr>
<td>Maize</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>2002/03</td>
<td>19.0</td>
<td>24.0</td>
<td>13.8</td>
<td>20.0</td>
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<tr>
<td>1996/97</td>
<td>25.1</td>
<td>24.5</td>
<td>18.6</td>
<td>21.6</td>
</tr>
</tbody>
</table>

Markets to be analyzed: Maputo and Nampula

Limitation: cannot measure quantitatively impact to producers, consumers and Government (need to estimate price transmission elasticities)

Seasonality in Market Prices

Average Monthly Retail Maize Prices for Two Period

Source: SIMA
Monthly real maize price trends, 2000-2009
Maputo and Nampula

Retail Maize Prices

Year/month

Source: SIMA

Monthly real maize meal price trends, 2000-2009
Maputo and Nampula

Retail Maize Meal Prices

Year/month

Source: SIMA
Monthly real rice price trends, 2000-2009
Maputo and Nampula

Retail Rice Prices

Source: SIMA

Monthly real wheat flour price trends, 2000-2009
Maputo and Nampula

Retail Wheat Flour Prices

Source: SIMA
International and domestic monthly retail maize prices

International and Domestic Retail Maize Prices

Year/month

Source: SIMA, SAFEX

International and domestic monthly retail wheat flour prices

International and Domestic Retail Wheat Prices

Year/month

Source: SIMA, IMF
International and domestic monthly retail wheat flour prices

Source: SIMA, IMF

Source and flow of commodities

Domestic production

Source and flow of commodities
Source and flow of commodities

<table>
<thead>
<tr>
<th>Source</th>
<th>Destination</th>
<th>Total 04/05 Season</th>
<th>Total 05/06 Season</th>
<th>Total 06/07 Season</th>
<th>Total 07/08 Season</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mozambique</td>
<td>Malawi</td>
<td>71,229</td>
<td>71,218</td>
<td>77,394</td>
<td>56,078</td>
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<tr>
<td>Mozambique</td>
<td>Zambia</td>
<td>0</td>
<td>49</td>
<td>1,269</td>
<td>2,113</td>
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<tr>
<td>Mozambique</td>
<td>Zimbabwe</td>
<td>2</td>
<td>5</td>
<td>2,085</td>
<td>11</td>
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<tr>
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<td>Mozambique</td>
<td>0</td>
<td>133</td>
<td>591</td>
<td>3,755</td>
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<tr>
<td>Zambia</td>
<td>Mozambique</td>
<td>0</td>
<td>55</td>
<td>2</td>
<td>0</td>
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<tr>
<td>Zimbabwe</td>
<td>Mozambique</td>
<td>0</td>
<td>85</td>
<td>294</td>
<td>129</td>
</tr>
<tr>
<td><strong>Total traded (MT)</strong></td>
<td></td>
<td><strong>71,231</strong></td>
<td><strong>71,545</strong></td>
<td><strong>81,635</strong></td>
<td><strong>62,086</strong></td>
</tr>
</tbody>
</table>

Source: FEWSNET

Monthly real maize price trends, 2000-2009

Nampula and Malawi

![Retail Maize Prices (Mozambique vs Malawi)](image)
Government responses

- Green revolution strategy
  - Increase in agricultural productivity

- Action Plan for Food Production (PAPA)
  - Promoted commodities: rice, maize, wheat, Irish potatoes, sunflower, soybean, cassava
  - Storage

- Import duties (VAT)
Government responses

- No government parastatal controlling commodities flows

- Investment funds (FIILs)
  - Promote food production and employment generation
  - Lack of local capacity for administering the funds

What shall still be done?

- Regional integration

- Fitosanitary measures
THANK YOU!