



SAVING
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LIVES

WFP MOZAMBIQUE – Food Price Bulletin

December 2023, Research Assessment and Monitoring (RAM) Unit

Key highlights

- ❖ **Decline in Global Food Prices:** In December 2023, the FAO Food Price Index averaged 118.5 points, indicating a 1.5% decrease from November and a significant 10.1% reduction from the previous year's levels, driven by notable declines in sugar, vegetable oils, and meat prices.
- ❖ **Stability Amidst Supply Concerns:** The IGC Grain and Oilseed Index (GOI) presented mixed signals with a slight decrease, while the wheat sub-index remained stable despite potential supply disruptions, highlighting resilient market demand.
- ❖ **Regional Disparities in Mozambique:** The food basket analysis for Mozambique showed a marked regional disparity, with the Central region's food costs rising by +5.2% in December and +17.8% over the last six months. The North region, comprising Cabo Delgado, Nampula, and Niassa, saw a +5.3% month-to-month increase in food basket cost but experienced a -3.4% decrease over the six months, indicating some volatility in food prices. The South region showed the least month-to-month increase at +0.9%, but a +6.7% rise over six months, suggesting a more stable but rising cost trend in food prices.
- ❖ **Considerable increase in maize price:** The overall price for white maize rose by +5.8% in a month and +15.5% over six months, signaling growing pressure on this staple grain. The highest price increase was observed in Gaza
- ❖ **Staple Food Affordability Challenges:** The purchasing power analysis revealed a downward trend in the affordability of maize meal, a staple in Mozambique, with a 1.1% decrease in December 2023 and a considerable -15.4% drop over the year in the Central region.
- ❖ **Provincial Commodity Price Volatility:** In provincial trends, Gaza faced the steepest monthly price increase for maize at +20%, while Zambezia maintained stability across several commodities, highlighting the uneven impact of market forces within the country.

CONTEXT

Seasonality in Mozambique

In December, the calendar below indicates that most households have already prepared their agricultural fields, and as the rainy season has effectively started, farmers are deep into the planting. Additionally, this is considered the lean season period, in which poor households will likely begin engaging in more severe coping strategies to minimize food consumption gaps. Food is usually scarce as households start depleting their reserves.

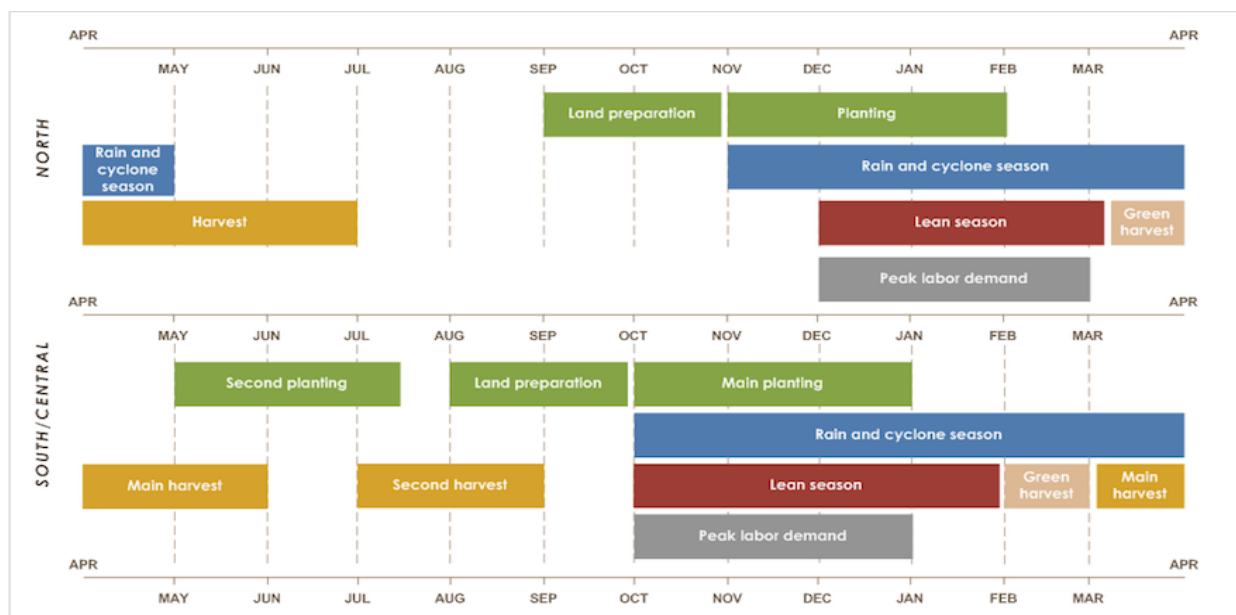


Figure 1. Seasonal calendar for a typical year in Mozambique

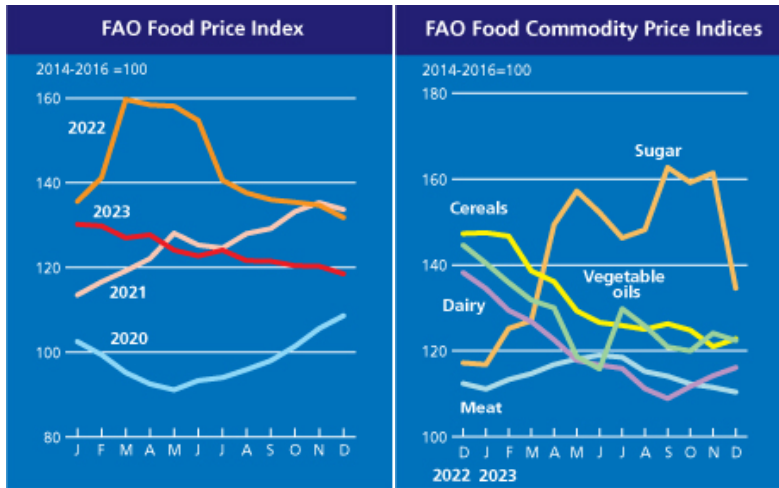
FAO Food Price Index¹ and IGC Grain and Oilseed Index (GOI)²

FAO Global Food Price Index

The **FAO Food Price Index** averaged 118.5 points in December 2023, a 1.5% decrease from November and 10.1% below the level in December 2022. The decline in December was led by significant decreases in the price indices for sugar, vegetable oils, and meat, which offset increases in dairy products and cereals. For 2023, the index recorded an average of 124.0 points, which is 13.7% lower than in 2022. The **FAO Cereal Price Index** averaged 122.8 points in December, up by 1.5% from November but 16.6% below its value in December 2022. Wheat export prices increased in December due to weather-related logistical disruptions and tensions in the Black Sea region, alongside solid demand. Maize prices were also up, driven by concerns over Brazil's second crop plantings and logistical constraints from Ukraine. However, for the year, the Cereal Price Index averaged 130.9 points, a 15.4% decline from the 2022 average, reflecting a well-supplied global market despite the challenges. The **FAO Vegetable Oil Price Index** averaged 122.4 points in December, down by 1.4% from November and marking a three-year low. The decline was attributed to lower world prices across palm, soy, rapeseed, and sunflower seed oils, with reduced purchases from major importers. For the whole of 2023, the index stood at 126.3 points, which is 32.7% lower than the previous year, indicating improved global supplies. The **FAO Sugar Price Index** averaged 134.6 points in December, plummeting by 16.6% from November to its lowest level in nine months, yet it remained 14.9% above its level in December 2022. The significant drop was mainly due to the strong pace of production in Brazil and a decision by the Government of India to limit the use of sugarcane for ethanol production. The overall decline in the Food Price Index reflects a combination of factors, including production increases, favourable weather conditions, and policy changes in major producing countries. However, several risks persist, such as potential conflicts, weather phenomena like El Niño, export restrictions, and macroeconomic conditions that could impact the outlook for global food prices.

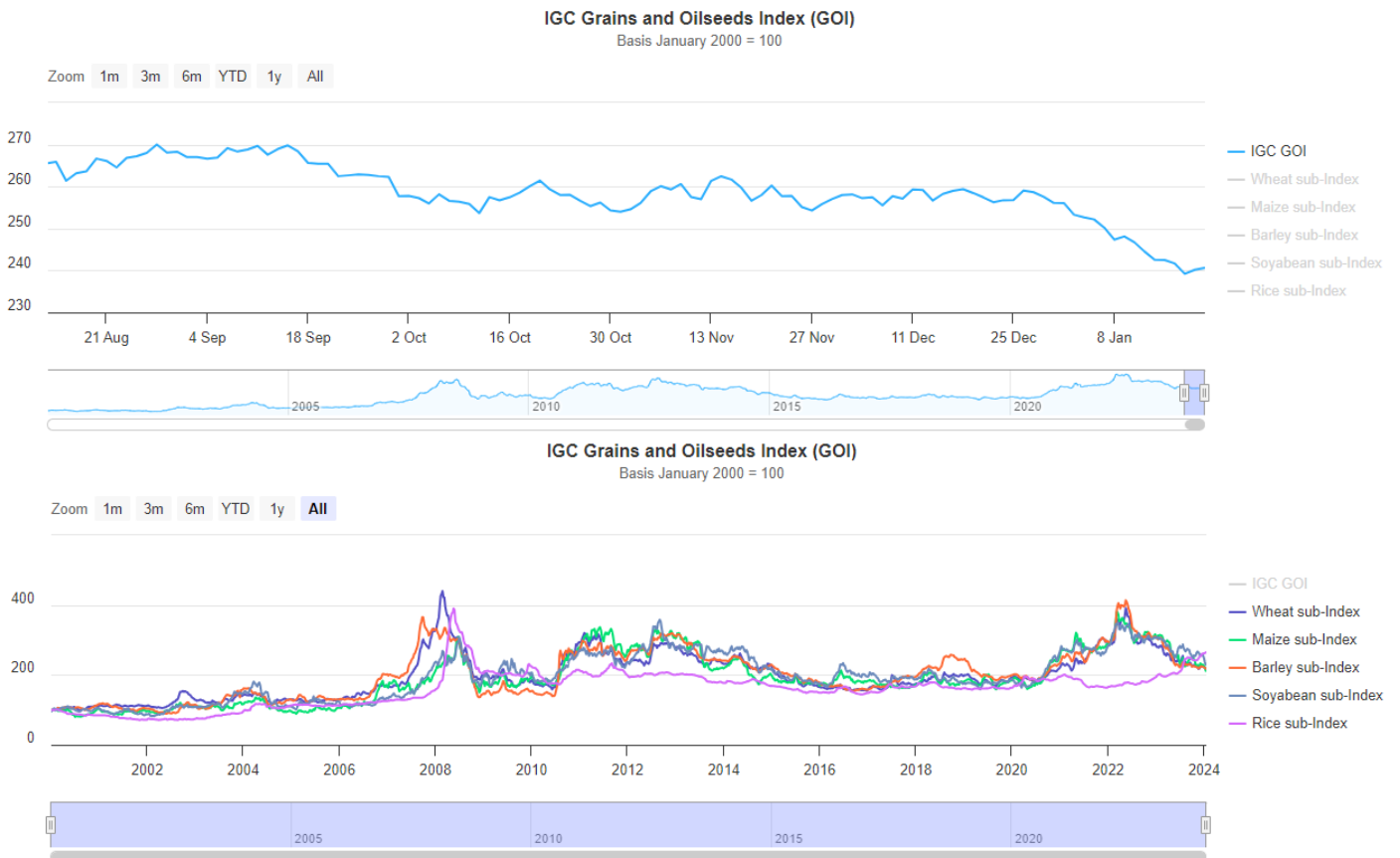
¹ <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

² <https://www.igc.int/en/markets/marketinfo-goi.aspx>



IGC Global Grain and Oilseed Index (GOI)

The IGC Grains and Oilseeds Index (GOI) reflects a nuanced picture as the year concludes, with the December 2023 figures presenting a mixed landscape across the board. The Grains and Oilseeds Index dipped marginally, evidencing a subtle yet persistent softening of the market in comparison to previous months. The wheat sub-index held its ground, remaining steady from the previous month, yet indicating a moderate yearly drop. Market resilience seems to be bolstered by a combination of firm demand and supply-side concerns, particularly due to uncertainties around key exporters like Ukraine.



Maize showcased a flatline movement month-to-month, which belied the undercurrents of fluctuation that had characterized the earlier months. The static nature of the maize index could be reflective of a balance between improved US yield projections and the unpredictable geopolitical landscape affecting export flows. Rice, having notably surged mid-year, maintained its peak level from November into December, consolidating its position at the higher end of the spectrum. This sustained elevation in the rice sub-index hints at a robust demand paired with tightening supplies, particularly from Asian exporters. Soybeans, on the other hand, saw a dip in the first half of 2023, followed by a modest increase through the second half of the year, bucking the broader trend, which

could be attributed to shifts in global demand dynamics as well as variations in production forecasts from leading nations like Brazil and Argentina.

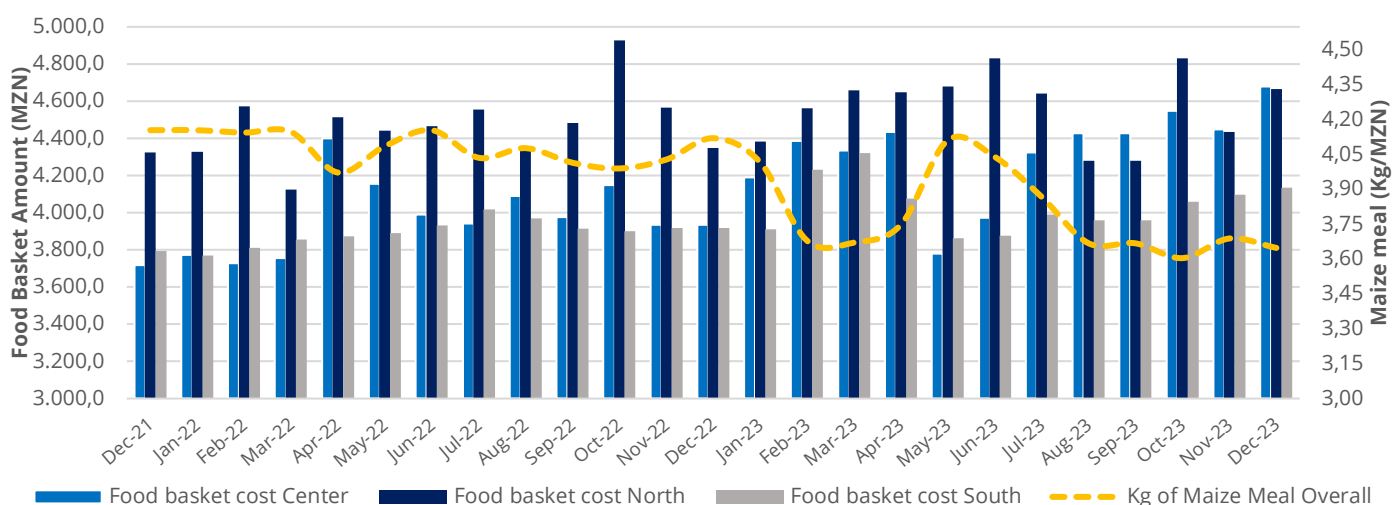
Food basket and Purchasing Power analysis

The food basket cost analysis for Mozambique reveals significant regional disparities and trends affecting the purchasing power of its citizens across the North, Central, and Southern regions. In December 2023, the overall cost of the food basket increased by +3.9% from the previous month, with the Central region experiencing the second highest monthly increase at +5.2%. This uptrend in food basket costs is even more pronounced when examining the changes over the last six months, with the Central region seeing an alarming rise of +17.8%. Compared to the previous year, the food basket cost surged by +10.5% overall, with the Central region facing the steepest increase at +18.9%. The North region, comprising Cabo Delgado, Nampula, and Niassa, saw a +5.3% month-to-month increase in food basket costs but experienced a -3.4% decrease over the six months, indicating some volatility in food prices. The South region showed the least month-to-month increase at +0.9%, with a modest +6.7% rise over six months, suggesting a more stable but rising cost trend in food prices in areas like Inhambane, Gaza, and Maputo.

When looking at the purchasing power through the lens of maize meal, a staple food, the quantity purchasable with the same amount of daily wage has seen a general decline. The overall quantity of maize meal that could be bought decreased by -1.1% from November to December 2023, with the Central region recording a significant decrease of -3.8%. Over the last year, there has been a notable drop in the amount of maize meal that can be purchased across all regions, with the Central region facing the largest decrease at -15.4%, followed closely by the South at -11.1% and North (-7.5%). This decline in maize meal affordability is a concern, as it highlights the eroding purchasing power, especially considering that the Central region is facing the highest food basket costs and the steepest decline in maize meal affordability.

The data points to a challenging economic environment for Mozambican consumers, with the cost of essential food items increasing at rates that outpace the ability to maintain previous consumption levels. This trend necessitates ongoing monitoring and potential intervention to support the affected populations, particularly in the Central region, which is experiencing the most significant strain on purchasing power.

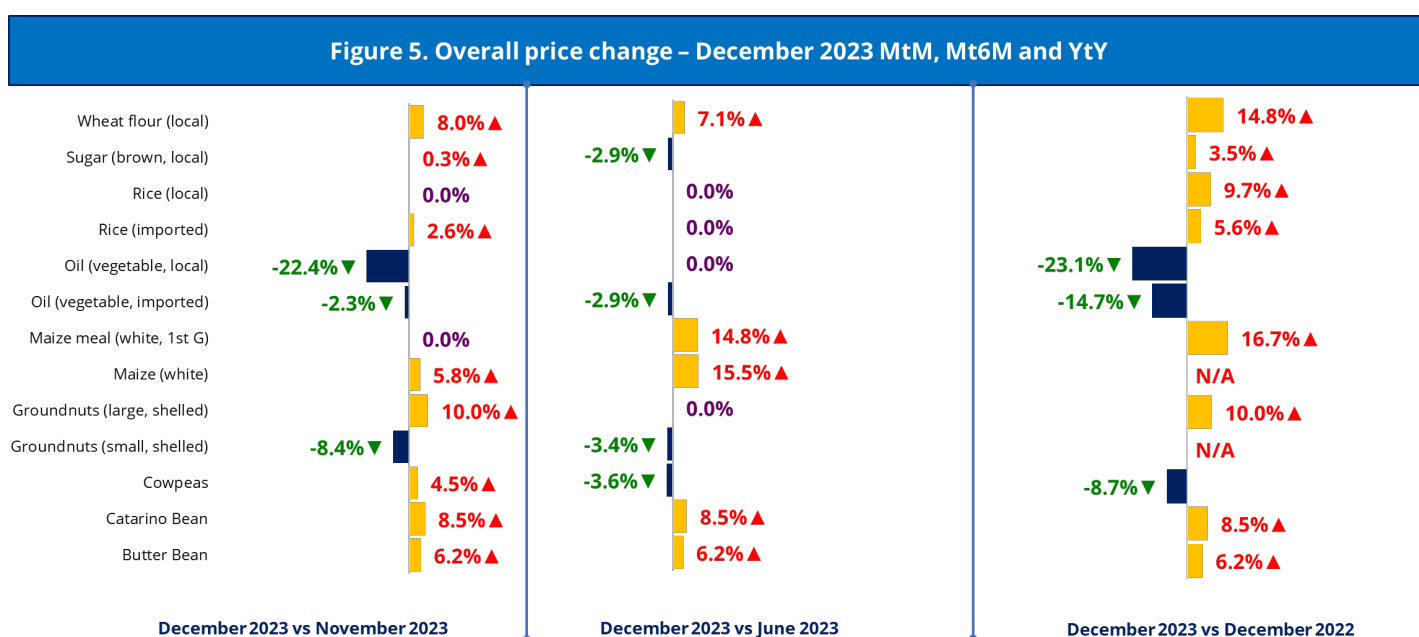
Figure 4. Food basket and purchasing power analysis for overall Mozambique



Commodity price trends in Mozambique and provincial variations

Country-level overall price trends

In Mozambique, the overall trend for commodity prices in December 2023 displays significant volatility, with some regions facing stark price escalations while others remain more stable. The most volatile province appears to be Gaza, with the price of maize seeing a +20% increase over the previous month. Conversely, Zambezia shows remarkable stability with no monthly change across several commodities. Price stability was noted for local rice and maize Meal, with no month-to-month change, while notable rises were observed for large and shelled groundnuts (+10.0%), catarino Bean (+8.5%) and wheat flour (+8.0%). Local vegetable oil dropped by -22.4% while remaining stable compared to the previous six months. The dataset for cassava prices reflects values from Zambezia province only, as provided by SIMA, indicating regional data specificity within the national context (Figure 53 and Annex I).



Provincial price trends

Maize (white):

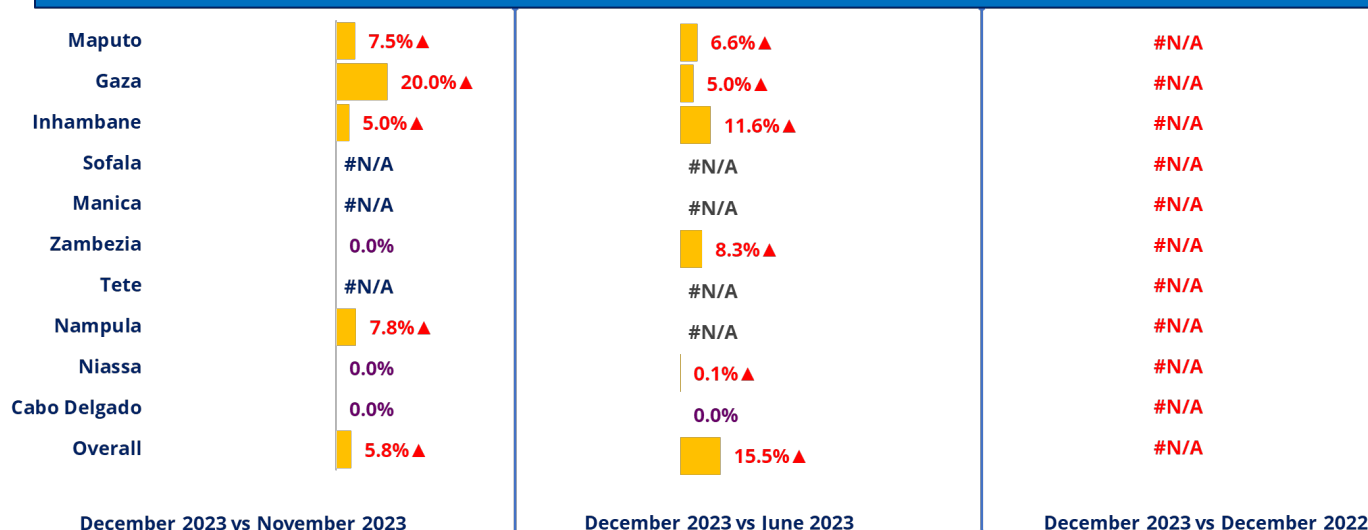
The overall price for white maize rose by +5.8% in a month and +15.5% over six months, signalling growing pressure on this staple grain. The highest price increase was observed in Gaza, while Cabo Delgado and Zambezia did not experience any monthly price change, indicating a degree of market stability in these provinces. Compared to six months, White Maize prices increased in almost all the provinces, except in Cabo Delgado where prices remained stable. Data point for December 2022 was not available for year-over-year comparisons. The highest and lowest provincial prices were recorded in Niassa (72 Mt/Kg) and Cabo Delgado (40 Mt/Kg), respectively.

³ MtM=Month to the previous month (e.g. December 2023 vs November 2023)

Mt6M=Month to price before 6 months (e.g. December 2023 vs June 2023)

YtY=Month to prices before 1 year (e.g. December 2023 vs Decembert 2022)

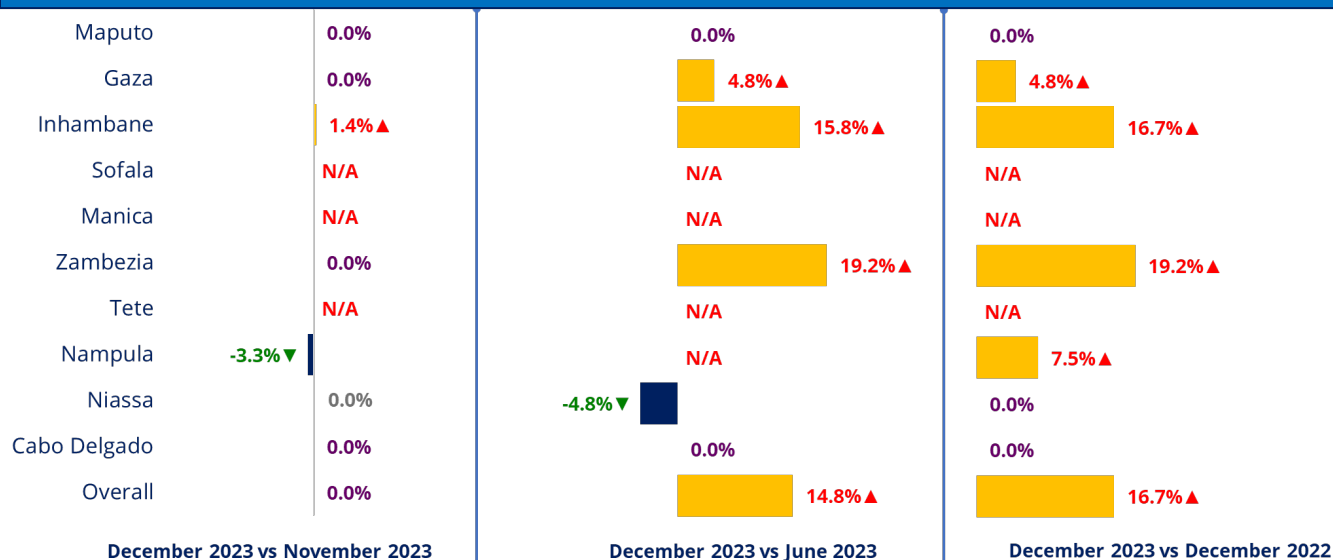
Figure 6. Provincial price change of Maize (white) – December 2023 MtM, Mt6M and YtY



Maize meal (white, first grade):

The price of first-grade maize meal remained stable overall month-to-month but increased substantially by +14.8% over six months. The highest price hike was noted in Inhambane at +16.7%, indicating a strain on affordability for this processed staple. Minor decrease were noted in Nampula (-3.3%) and an increase of +1.4% in Inhambane province. Mixed trend in maize meal prices was observed on six-month comparison with an impactful increase occurred in Zambezia (+19.2%), with Inhambane and Gaza also seeing increases of +15.8% and +4.8% respectively. The highest and lowest provincial prices were recorded in Niassa (70 Mt/Kg) and Gaza (53 Mt/Kg), respectively.

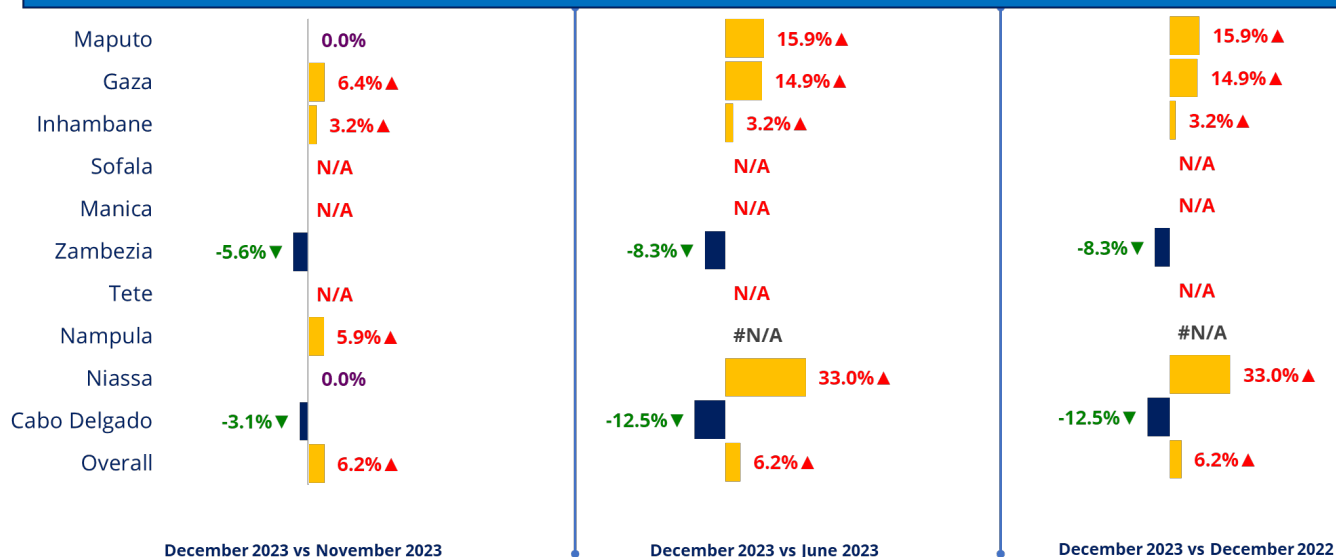
Figure 7. Provincial price change of Maize Meal – December 2023 MtM, Mt6M and YtY



Butter beans:

The price for butter beans increased by 6.2% across all observed time frames, highlighting a consistent upward trend. Declines were seen in Zambezia (-5.6%) and Cabo Delgado (-3.1%) month-over-month, six-month and year-over-year. There were slight increases in Gaza (+6.4%), Nampula (+5.9%), and Inhambane (+3.2%). The highest and lowest provincial prices were recorded in Niassa (162 Mt/Kg) and Nampula (75 Mt/Kg), respectively.

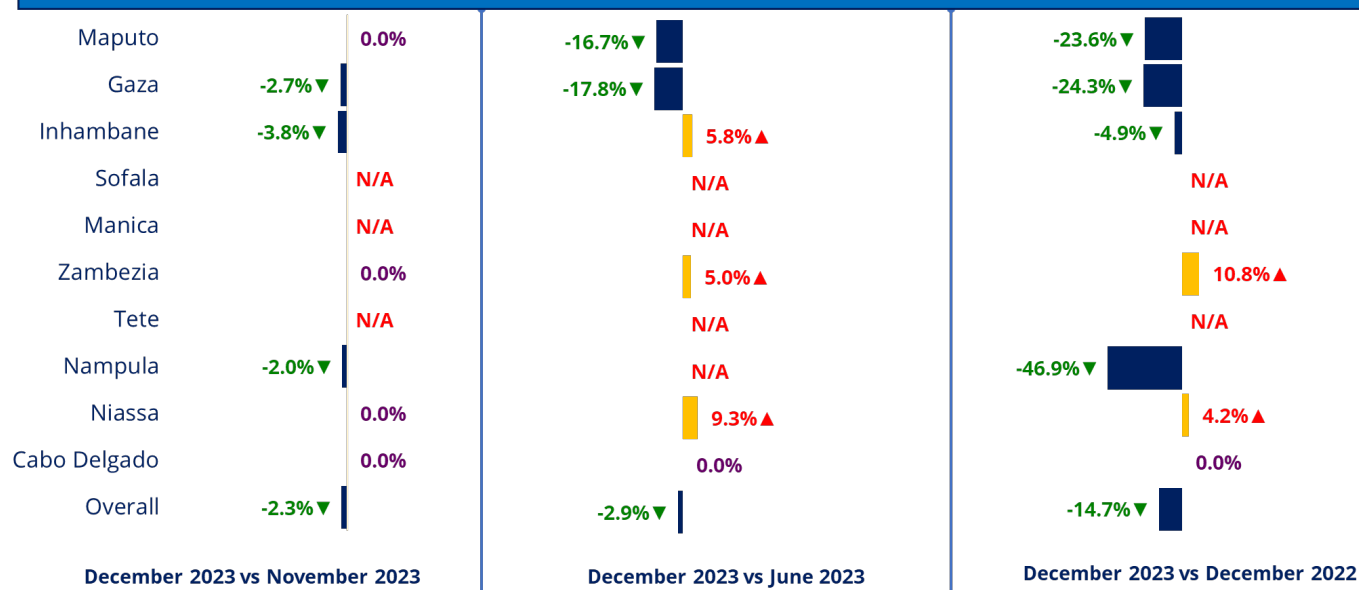
Figure 8. Provincial price change of Beans (Butter) – December 2023 MtM, Mt6M and YtY



Vegetable oil (Imported)⁴:

Imported vegetable oil also saw a price drop of -2.3% monthly and a steep year-on-year decline of -14.7%. This reduction in price may reflect global market trends or an increase in local production, easing reliance on imports. Compared to the last six months, vegetable oil prices presented notable decreases in two southern provinces: Maputo (-16.7%) and Gaza (-17.8%). Year-over-year, a general decrease trend was observed, specially in Nampula province with a steep drop of -46.9%, followed by Gaza -24.3% and Maputo -23.6%, while a modest increase was present in Zambezia (+10.8%) and Niassa (+4.2%), leading to a -14.7% decline at the national level. Zambezia recorded the highest price at 200 Mt/l, with the lowest in Nampula at 82 Mt/l.

Figure 9. Provincial price change of Vegetable Oil – December 2023 MtM, Mt6M and YtY



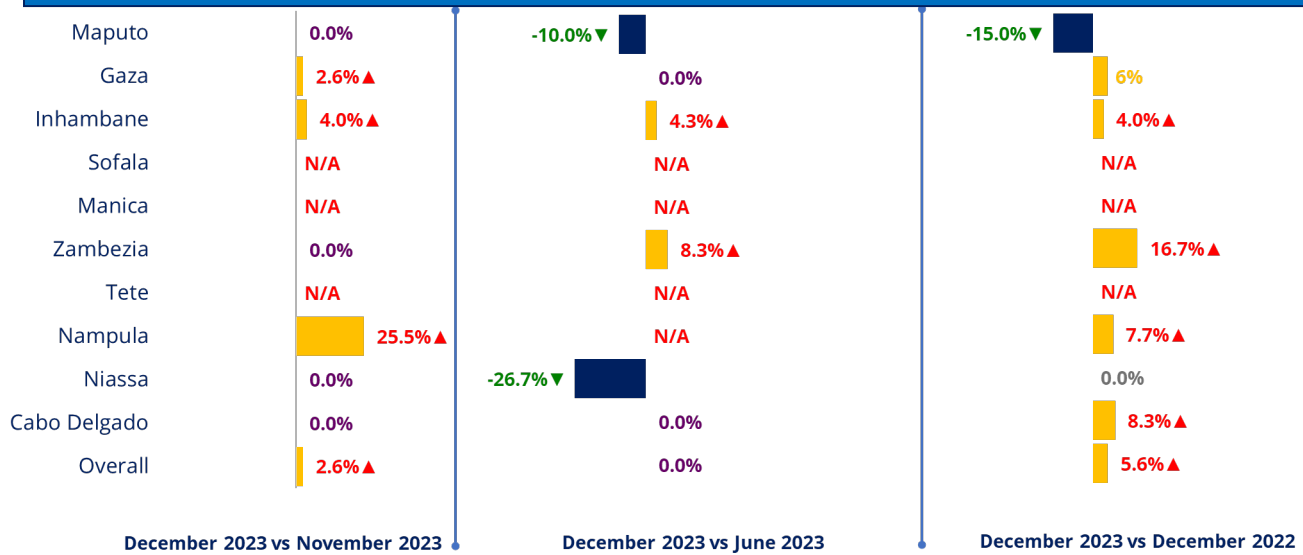
⁴ For the current month report, vegetable oil prices used is the imported one instead of the usual local due to the lack of information



Rice (imported):

For imported rice, prices rose slightly by +2.6% in a month, with no change over six months but a notable increase of +5.6% over the year. The province of Zambezia experienced a significant annual increase of +16.7%, marking the highest rise within the country. The price range for imported rice varied, with the highest price observed in Nampula at 65 Mt/Kg and the lowest in Maputo and Niassa at 50 Mt/kg during December 2023.

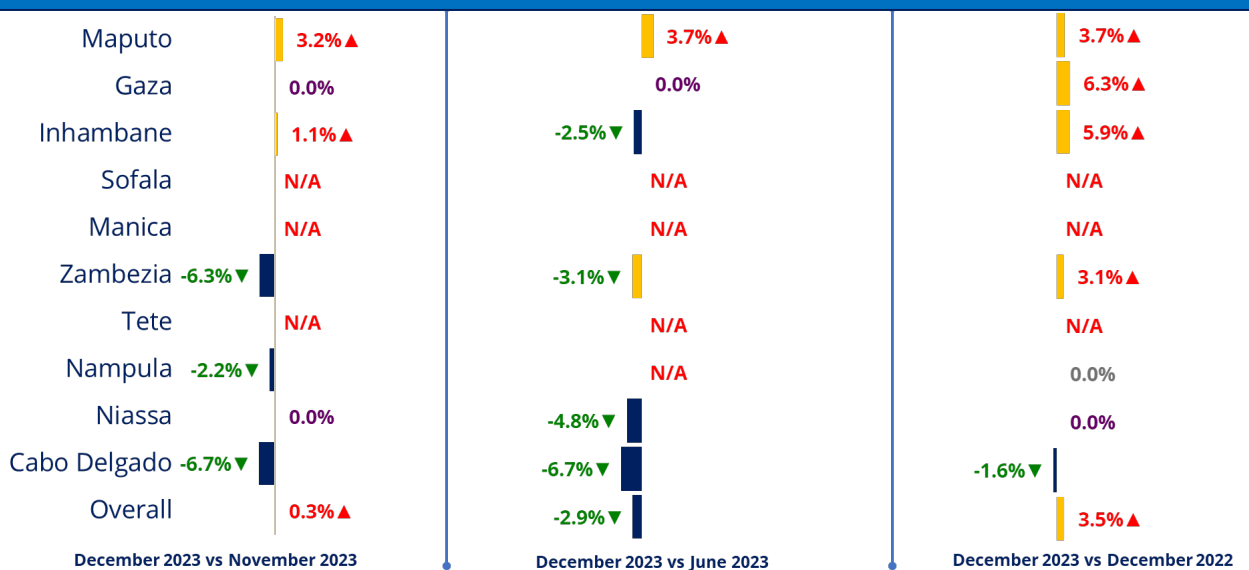
Figure 10. Provincial price change of Rice (imported) – December 2023 MtM, Mt6M and YtY



Brown sugar (local):

Local brown sugar prices showed a minor monthly increase of +0.3% overall, with Maputo experiencing a more significant monthly rise of +3.2%. The relative stability in sugar prices suggests less volatility in this market segment. The highest price for brown sugar in December 2023 was in Zambezia and Cabo Delgado at 85 Mt/kg, while Niassa had the lowest at 70 Mt/kg.

Figure 11. Provincial price change of Brown Sugar – December 2023 MtM, Mt6M and YtY

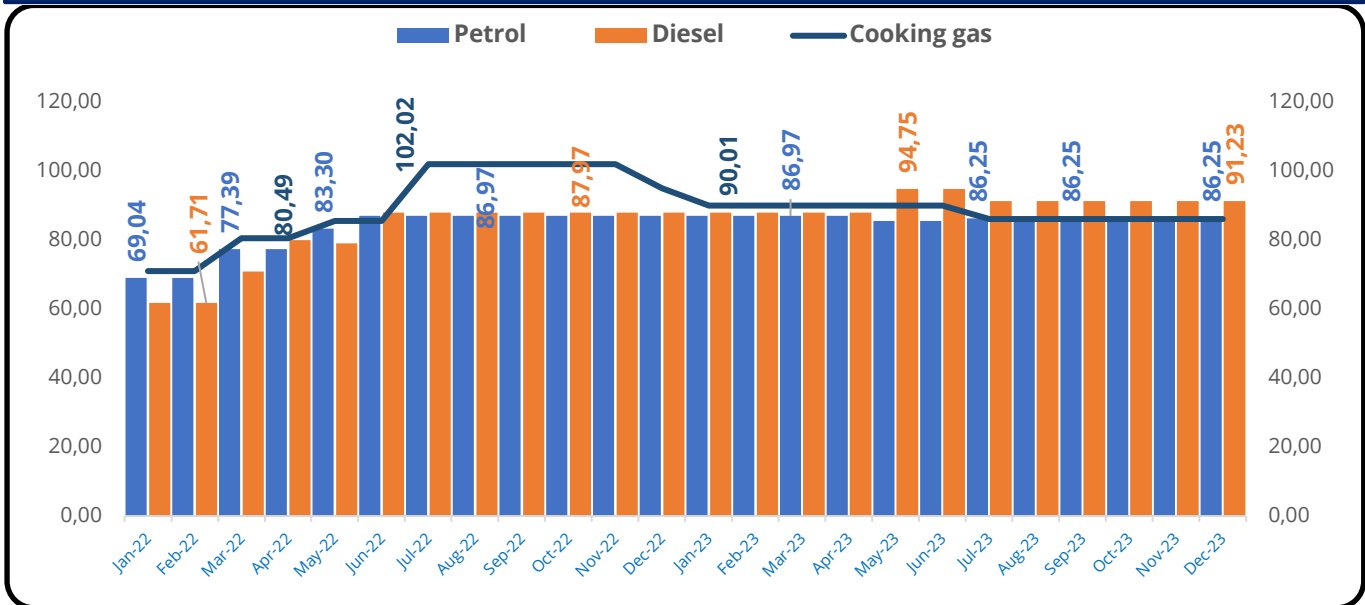




Fuel

In Mozambique, the Energy Regulatory Authority (ARENE) updated fuel prices in July 2023, following the previous change in May 2023. Diesel was priced at 91.23 meticaís per litre in December 2023, representing a decrease of -3.72% from the earlier rate of 94.75 meticaís. Petrol experienced a marginal hike of +0.76%, with its price adjusting to 86.25 meticaís per litre compared to the former 85.49 meticaís. Lastly, cooking gas saw a reduction to 86.05 meticaís per kilogram from last year's figure of 90.01 meticaís, marking a change in cost.

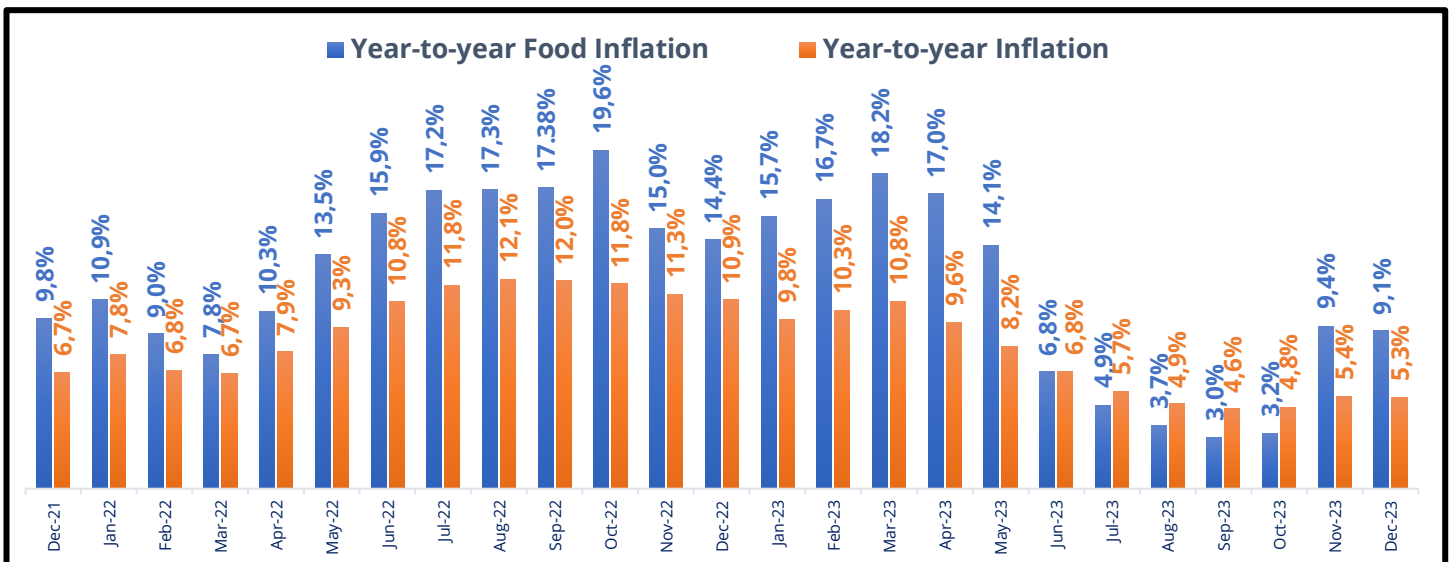
Figure 12. FUEL PRICES (Autoridade Reguladora de Energia - ARENE)



Inflation

In December 2023, Mozambique saw its annual inflation rate edged down to -5.30% and -5.36% compared to a four-month, marking a consistent decline over six months and the lowest since January 2021. This reduction was largely attributed to a moderate decrease in food and non-alcoholic beverages costs. Despite this, the month saw a 0.34% rise in consumer prices, spurred by increments in sectors such as alcoholic beverages & tobacco, dining and hospitality, and clothing & footwear. On a monthly basis, consumer prices inched up by +1.29% in December, the most in nine months, after a 1.17% rise in the previous month.

Figure 13. Inflation Rate (Instituto Nacional De Estatística - INE)



Methodology and coverage

The Sistema de Informação de Mercados Agrícolas - SIMA - (Agricultural Market Information System) collects the prices of different commodities in different districts of all provinces of Mozambique. Three price points for each commodity are collected from each marketplace of all the districts. The cleaned prices are then shared with the Research, Assessments, and Monitoring team of the World Food Programme (WFP), which feeds it into this price monitoring bulletin along with food prices collected by the organization while monitoring its food assistance programs. In order to calculate national prices, the median is used to reduce the effect of outliers.

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Annex I. December 2023 retail market price (median) of main commodities in different districts⁵

Commodities List	Province	Current price	Price Change			Commodities List	Province	Current price	Price Change		
			1 Month (%)	6 Month (%)	1 Year (%)				1 Month (%)	6 Month (%)	1 Year (%)
Maize (White)	Overall	51	5.8% ▲	15.5% ▲	#N/A	Rice (Imported)	Overall	60	2.6% ▲	0.0%	5.6% ▲
	Cabo Delgado	40	0.0%	0.0%	#N/A		Cabo Delgado	60	0.0%	0.0%	8.3% ▲
	Gaza	50	20.0% ▲	5.0% ▲	#N/A		Gaza	60	2.6% ▲	0.0%	5.6% ▲
	Inhambane	50	5.0% ▲	11.6% ▲	#N/A		Inhambane	63	4.0% ▲	4.3% ▲	4.0% ▲
	Manica	#N/A	#N/A	#N/A	#N/A		Manica	#N/A	#N/A	#N/A	#N/A
	Maputo	50	7.5% ▲	6.6% ▲	#N/A		Maputo	50	0.0%	-10.0% ▼	-15.0% ▼
	Nampula	60	7.8% ▲	#N/A	#N/A		Nampula	65	25.5% ▲	#N/A	7.7% ▲
	Niassa	72	0.0%	0.1% ▲	#N/A		Niassa	50	0.0%	-26.7% ▼	0.0%
	Sofala	#N/A	#N/A	#N/A	#N/A		Sofala	#N/A	#N/A	#N/A	#N/A
	Tete	#N/A	#N/A	#N/A	#N/A		Tete	#N/A	#N/A	#N/A	#N/A
Zambezia	60	0.0%	8.3% ▲	#N/A	Zambezia	60	0.0%	8.3% ▲	16.7% ▲		
Maize Meal (1st Grade)	Overall	60	0.0%	14.8% ▲	16.7% ▲	Butter Beans	Overall	107	6.2% ▲	6.2% ▲	6.2% ▲
	Cabo Delgado	60	0.0%	0.0%	0.0%		Cabo Delgado	80	-3.1% ▼	-12.5% ▼	9.4% ▲
	Gaza	53	0.0%	4.8% ▲	4.8% ▲		Gaza	118	6.4% ▲	14.9% ▲	14.9% ▲
	Inhambane	60	1.4% ▲	15.8% ▲	16.7% ▲		Inhambane	103	3.2% ▲	3.2% ▲	3.2% ▲
	Manica	#N/A	#N/A	#N/A	#N/A		Manica	#N/A	#N/A	#N/A	#N/A
	Maputo	50	0.0%	0.0%	0.0%		Maputo	110	0.0%	15.9% ▲	8.6% ▲
	Nampula	67	-3.3% ▼	#N/A	7.5% ▲		Nampula	75	5.9% ▲	#N/A	17.7% ▲
	Niassa	70	0.0%	-4.8% ▼	0.0%		Niassa	162	0.0%	33.0% ▲	-0.0% ▼
	Sofala	#N/A	#N/A	#N/A	#N/A		Sofala	#N/A	#N/A	#N/A	#N/A
	Tete	#N/A	#N/A	#N/A	#N/A		Tete	#N/A	#N/A	#N/A	#N/A
Zambezia	65	0.0%	19.2% ▲	19.2% ▲	Zambezia	90	-5.6% ▼	-8.3% ▼	25.0% ▲		
Wheat Flour (Local)	Overall	65	8.0% ▲	7.1% ▲	14.8% ▲	Catarino Beans	Overall	109	8.5% ▲	8.5% ▲	8.5% ▲
	Cabo Delgado	50	0.0%	0.0%	0.0%		Cabo Delgado	90	-2.8% ▼	-18.6% ▼	4.2% ▲
	Gaza	71	12.3% ▲	8.8% ▲	19.3% ▲		Gaza	100	0.0%	0.0%	0.0%
	Inhambane	62	3.6% ▲	10.8% ▲	14.9% ▲		Inhambane	119	9.7% ▲	16.1% ▲	16.1% ▲
	Manica	#N/A	#N/A	#N/A	#N/A		Manica	#N/A	#N/A	#N/A	#N/A
	Maputo	64	5.2% ▲	6.5% ▲	10.4% ▲		Maputo	120	0.0%	19.5% ▲	22.1% ▲
	Nampula	46	0.0%	#N/A	0.0%		Nampula	75	4.4% ▲	#N/A	15.6% ▲
	Niassa	70	0.0%	-6.6% ▼	0.0%		Niassa	162	0.0%	31.4% ▲	-0.0% ▼
	Sofala	#N/A	#N/A	#N/A	#N/A		Sofala	#N/A	#N/A	#N/A	#N/A
	Tete	#N/A	#N/A	#N/A	#N/A		Tete	#N/A	#N/A	#N/A	#N/A
Zambezia	65	0.0%	9.5% ▲	-3.8% ▼	Zambezia	90	-5.6% ▼	-8.3% ▼	19.4% ▲		
Vegetable Oil (Local)	Overall	134	-22.4% ▼	#N/A	-23.1% ▼	Groundnuts (Large, Shelled)	Overall	100	10.0% ▲	0.0%	10.0% ▲
	Cabo Delgado	#N/A	#N/A	#N/A	#N/A		Cabo Delgado	70	0.0%	0.0%	-1.7% ▼
	Gaza	140	#N/A	#N/A	-10.7% ▼		Gaza	95	5.3% ▲	-5.3% ▼	-15.8% ▼
	Inhambane	#N/A	#N/A	#N/A	#N/A		Inhambane	110	1.3% ▲	8.8% ▲	16.2% ▲
	Manica	#N/A	#N/A	#N/A	#N/A		Manica	#N/A	#N/A	#N/A	#N/A
	Maputo	#N/A	#N/A	#N/A	#N/A		Maputo	100	7.5% ▲	-11.8% ▼	20.0% ▲
	Nampula	128	-15.6% ▼	#N/A	#N/A		Nampula	60	-6.5% ▼	#N/A	-33.3% ▼
	Niassa	#N/A	#N/A	#N/A	#N/A		Niassa	#N/A	#N/A	#N/A	#N/A
	Sofala	#N/A	#N/A	#N/A	#N/A		Sofala	#N/A	#N/A	#N/A	#N/A
	Tete	#N/A	#N/A	#N/A	#N/A		Tete	#N/A	#N/A	#N/A	#N/A
Zambezia	#N/A	#N/A	#N/A	#N/A	Zambezia	#N/A	#N/A	#N/A	#N/A		
Imported Vegetable Oil	Overall	148	-2.3% ▼	-2.9% ▼	-14.7% ▼	Groundnuts (Small, Shelled)	Overall	134	-8.4% ▼	-3.4% ▼	#N/A
	Cabo Delgado	160	0.0%	0.0%	0.0%		Cabo Delgado	#N/A	#N/A	#N/A	#N/A
	Gaza	134	-2.7% ▼	-17.8% ▼	-24.3% ▼		Gaza	140	-14.3% ▼	7.1% ▲	#N/A
	Inhambane	159	-3.8% ▼	5.8% ▲	-4.9% ▼		Inhambane	140	#N/A	-10.1% ▼	#N/A
	Manica	#N/A	#N/A	#N/A	#N/A		Manica	#N/A	#N/A	#N/A	#N/A
	Maputo	120	0.0%	-16.7% ▼	-23.6% ▼		Maputo	128	-2.0% ▼	-5.6% ▼	#N/A
	Nampula	82	-2.0% ▼	#N/A	-46.9% ▼		Nampula	#N/A	#N/A	#N/A	#N/A
	Niassa	180	0.0%	9.3% ▲	4.2% ▲		Niassa	#N/A	#N/A	#N/A	#N/A
	Sofala	#N/A	#N/A	#N/A	#N/A		Sofala	#N/A	#N/A	#N/A	#N/A
	Tete	#N/A	#N/A	#N/A	#N/A		Tete	#N/A	#N/A	#N/A	#N/A
Zambezia	200	0.0%	5.0% ▲	10.8% ▲	Zambezia	#N/A	#N/A	#N/A	#N/A		
Brown Sugar (Local)	Overall	78	0.3% ▲	-2.9% ▼	3.5% ▲	Cowpeas	Overall	55	4.5% ▲	-3.6% ▼	-8.7% ▼
	Cabo Delgado	75	-6.7% ▼	-6.7% ▼	-1.6% ▼		Cabo Delgado	50	0.0%	0.0%	20.0% ▲
	Gaza	80	0.0%	0.0%	6.3% ▲		Gaza	56	-1.0% ▼	2.9% ▲	-15.7% ▼
	Inhambane	78	1.1% ▲	-2.5% ▼	5.9% ▲		Inhambane	55	27.3% ▲	-45.5% ▼	-27.3% ▼
	Manica	#N/A	#N/A	#N/A	#N/A		Manica	#N/A	#N/A	#N/A	#N/A
	Maputo	78	3.2% ▲	3.7% ▲	3.7% ▲		Maputo	69	8.6% ▲	20.3% ▲	8.0% ▲
	Nampula	75	-2.2% ▼	#N/A	0.0%		Nampula	35	0.0%	#N/A	#N/A
	Niassa	70	0.0%	-4.8% ▼	0.0%		Niassa	121	0.0%	-0.0% ▼	-0.0% ▼
	Sofala	#N/A	#N/A	#N/A	#N/A		Sofala	#N/A	#N/A	#N/A	#N/A
	Tete	#N/A	#N/A	#N/A	#N/A		Tete	#N/A	#N/A	#N/A	#N/A
Zambezia	80	-6.3% ▼	-3.1% ▼	3.1% ▲	Zambezia	40	0.0%	-3.0% ▼	6.3% ▲		

N.B. Some commodities in the column for 1-month, 6-months, and 1-year price comparisons need more data points.

⁵ Sistema de Informação de Mercados Agrícolas - SIMA