

MOZAMBIQUE : FOOD DEFICIT, AID, DIVERSIONS, MARKETS and DROUGHT

- On a cloth untrue, with a twisted cue
and elliptical billiard balls.

- Gilbert and Sullivan

- R. H. Green
IDS (Sussex)
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Table 1

'Normal' Food 'Balance' Position
(tonnes grain equivalent)

Basic Requirement ¹	4,500,000	(100%)
Domestic Production	<u>2,750,000</u>	(61%)
Urban (Zonas Verdes)	<u>150,000</u>	(3%)
Household Consumed	(50,000)	(1%)
Commercialised	(100,000)	(2%)
Rural	<u>2,600,000</u>	(57%)
Household Consumed	(2,200,000)	(48%)
Commercialised - Formal and Informal	(400,000)	(19%)
Imports	<u>625,000</u> ²	(14%)
Food Aid	(500,000)	(11%)
Commercial/Parallel	(125,000)	(2%)
Food Deficit	<u>1.125,000</u>	<u>(25%)</u>
 <u>Urban/Rural Breakdown</u>		
	<u>Urban</u>	<u>Rural</u>
Basic Requirement ³	1,080,000	3,420,000
Domestic Production	<u>500,000</u>	<u>2,250,000</u>
Urban	(150,000)	(-)
Rural	(350,000)	(2,250,000)
Household Consumed	(50,000)	(2,200,000)
Commercialised	(450,000)	(50,000)
Imports ²	400,000	225,000
Food Deficit ⁴	(180,000) (17%)	945,000 (27%)

¹ Based on 12,500,000 population estimate.

² Probably understates total imports. May be 125,000 tonnes additional border imports from South Africa, Zimbabwe, Zambia and Malawi consumed in adjoining rural districts or nearby towns. Transborder exports to Malawi and Tanzania - not estimated - may be up to 50,000 tonnes. These are from areas - e.g. Angonia, Northern Mueda Plateau with poor transport links with the rest of Mozambique.

³ Based on 3,000,000 urban and 9,500,000 rural

⁴ On average 27% - leaving supplies just above borderline famine level - seems plausible. Some districts - especially in Nampula, Zambesia, Sofala - are near famine borderline even in normal weather years but others - especially in Maputo, Inhambane, Nampula (interior), Sofala (Beira Corridor), and Cabo Delgado (Mueda Plateau) have significant surpluses. Afectados are in general in a borderline famine position. Given the high levels of moderate and severe urban malnutrition the urban 17% also appears reasonable.

Table 2Food Aid: Uses and Losses
(tonnes)¹

<u>Food Aid Received</u> ²	500,000 - 600,000	
<u>Uses</u>		
Abastimento and Relatives - Consumers ³	100,000 - 125,000	
Bread ⁴	67,500 - 90,000	
Desplacados/Afectados ⁵	150,000 - 175,000	
Public Institutions ⁶	50,000 - 75,000	
Food for Work and Relatives ⁷	20,000 - 30,000	
Total Intended Uses ⁸	387,500 - 495,000	(83%)
<u>Losses</u>	(375,000) - (450,000)	(75%)
Never Received ⁹	10,000 - 12,500	
War Loss ¹⁰	10,000 - 15,000	
Riot/Disorder Losses ¹¹	5,000 - 10,000	
(Sub-Total)	(25,000) - (37,500)	(6%)
Port Losses	50,000 - 60,000	
(Of Which - Normal) ¹²	(10,000) - (17,500)	
Legal Transfer from Abastimento ¹³	10,000 - 20,000	
Diversion To Pastry ¹⁴	7,500 - 10,000	
Distribution Losses ¹⁵	25,000 - 30,000	
(Of Which - Normal) ¹⁶	(10,000) - (12,500)	
Total Losses ¹⁷	117,500 - 160,000	(26%)
Total 'Abnormal' Losses ¹⁸	62,000 - 72,500	(12%)

Notes

1. Stylized Ranges 1988-1991
2. Actual Deliveries (subject to Note 9). Pledge usually significantly higher.
3. Estimated backwards from consumer surveys. Maputo and Beira are "abastimento" (fair price shop) proper. Other towns have same prices but no ration card back-up.
4. Wheat deliveries to bakers used for bread. (See Note 14.)
5. Estimated from distribution point (basically camps and NGOs) data. Losses beyond that point not directly deducted.
6. Health, Education, Social Welfare, etc. No direct estimate leakages within or between institutions.
7. ILO, UNICEF, NGO, Enterprise.
8. () figure allows for losses/leakages.

9. Food Aid tonnage is per shipping documents, not checked on arrival. Checks elsewhere and court cases in USA against certifying agents suggest at least 2% to 3% shortfall.
10. Destroyed or captured by bandidos armados.
11. 'Looted' in context 'only grain in town' when non-recipient groups are near starvation. Particularly severe problem Zambesia.
12. 'Normal' loss of 2% to 3% includes wastage, spoilage, pest damage plus standard petty theft.
13. At end of month private retailers may sell abasticimento ration allocation not taken up.
14. Bakeries do sell pastry presumably largely baked from diverted flour intended for bread.
15. From delivery from port to users cited in Uses.
16. Normal loss 2% - see Note 12.
17. All items other than intended uses.
18. Deducts - Never Received, War, Disorder, Legal Abasticimento Sales, 'Normal' Port/Distribution 55,000 - 87,500.

Table 3

Abastacimento vs Free Market Prices
(as % of free market)

1. Calculated from USAID Accounting Prices ¹		50	-	60
2. Market Observation ²	Yellow Maize	100	-	125
	White Maize	75	-	85
	Rice	60	-	70
3. Calculated from Commercial CIF ³	White Maize	75	-	90
	Rice	85	-	105

Notes

Observations scattered over 1989-91. Not strictly comparable.

1. From various AID reports. AID accounting prices c.i.f. Maputo 50% to 70% above estimated Argentine (maize) and Thai (rice) f.o.b. prices plus if to c.i.f. Maputo.
2. Variable margins. Yellow maize nominal as virtually unsaleable for human consumption in non-drought years.
3. Adjusting for margin above commercial c.i.f in USAID accounting prices. Varies, broadly abastacimento price is nearest commercial c.i.f plus distribution when set but declines, broadly with downward currency float, until next pricing. Presumably there are also seasonal and regional fluctuations but observations are neither numerous nor accurate enough to map these.

Table 4

Probable Urban Food Market Composition
(tonnes - grain equivalent)

<u>Imported</u>			
Abastacimento and Relatives ¹	100,000	-	125,000 (12%)
Legal Retransfer from Abastacimento	10,000	-	20,000 (2%)
Bread	67,500	-	90,000 (9%)
Pastry ²	7,500	-	10,000 (1%)
Commercial Imports ³	100,000	-	150,000 (14%)
Losses from Food Aid ⁴	45,000	-	55,000 (5%)
Imported Sub-Total	<u>330,000</u>	-	<u>450,000 (44%)</u>
<u>Domestic</u>			
Zonas Verdes	87,500	-	112,500 (11%)
Rural Commercialised ⁵	350,000	-	450,000 (45%)
Domestic Sub-Total	<u>437,500</u>	-	<u>562,500 (56%)</u>
Total Market ⁶	<u>767,500</u>	-	<u>1,012,500 (100%)</u>

Notes

Basically derived from Tables 1 and 2.

1. Perhaps 20% is resold on free market by recipients trading down from rice to maize or grain to cassava and "leaves".
2. Diverted wheat flour intended for bread.
3. Legal (apart from import/sales tax evasion) but overwhelmingly unrecorded border traffic, second window financed.
4. Excludes not received-war-disorder losses and legal transfer from abastacimento, pastry. Assumes 2% wastage-spoilage-pest damage (very low). Urban/rural division of remaining losses assumed to be about 2:1. Re-including pastry raises total to 62,500 - 85,000 (8%).
5. Includes all food (not grain only) and all channels (not only Agricon network). Agricon grain about 100,000 of this total and private market grain perhaps of same order of magnitude.
6. Excludes household self-provisioning (about 50,000 tonnes), food aid to urban institutions (25,000-40,000) and urban food for work (under 5,000).

Table 5

1991-92 Drought Losses/1992-93 Added Aid Requirementsa. Low Estimate

Urban Production ¹		40,000
Household Consumed	10,000 (20%)	
Commercialised	30,000 (40%)	
Rural Production ¹		725,000
Household Consumed	525,000 (25%)	
Commercialised	200,000 (40%)	
Total Output Loss ²		<u>765,000</u>

b. High Estimate³

Urban Production ¹		52,500
Household Consumed	12,500 (25%)	
Commercialised	40,000 (40%)	
Rural Production ¹		955,000
Household Consumed	630,000 (30%)	
Commercialised	325,000 (65%)	
Total Output Loss ²		<u>1,007,500</u>

c. Food Requirement/Availability

i. Low Estimate

Requirement	4,500,000	(100%)
Supply at 500,000 tonnes		
Food Aid	2,485,000	(55%)
Deficit	2,015,000	(45%)

ii. High Estimate

Requirement	4,500,000	(100%)
Supply at 500,000		
Food Aid	2,242,500	(50%)
Deficit	2,257,500	(50%)

Notes

¹ Division between household consumed and commercialised speculative. In some districts there will be small surpluses; in Zonas Verdes commercialised vegetables are more attractive than self-consumed grain; even in deficit zones non-food basic needs (e.g. clothes, fuel and light, medical fees) will lead to some food crop sales.

² Supply loss also includes 125,000 tonnes of commercial imports (see Table 4) probably unavailable because of drought in all adjacent states.

³ Other estimates of output loss appear to go as high as 75% nationally but also appear to be overinfluenced by decline in the small officially marketed sector as opposed to (legal) unofficial and household self-provisioning sectors and to overweight grain relative to cassava and "non-staple" food.

NOTE: Tables prepared by Professor R. H. Green of IDS (Sussex) in March 1992. Estimations are his personal judgements and responsibility and are not to be assumed to represent the official position of the Seguranza Alimentar or Directorat Nacional do Plano of the Republic of Mozambique.