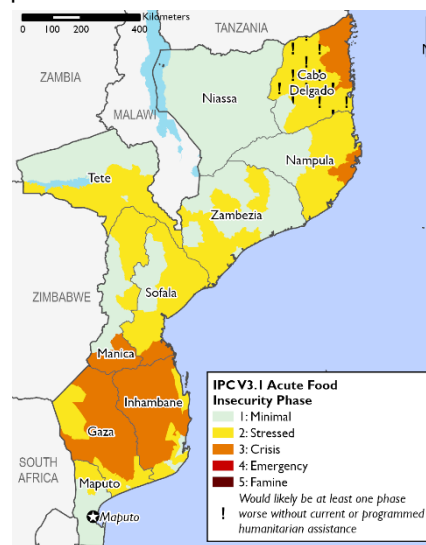


*Food assistance needs remain high and are likely to increase during the upcoming lean season*

**KEY MESSAGES**

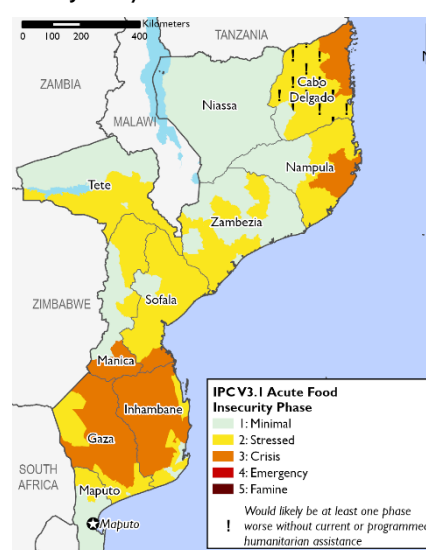
- Most households across Mozambique are facing Minimal (IPC Phase 1) outcomes supported by adequate access to income and food. However, in drought affected areas in southern Mozambique, flood- and tropical storm-impacted areas in Nampula, and conflict-affected areas of Cabo Delgado, Crisis (IPC Phase 3) outcomes persist as poor households have limited access to income for food purchases and are engaging in consumption and livelihood-based coping strategies to minimize food consumption gaps. In Cabo Delgado, Stressed! (IPC Phase 2!) outcomes are present in areas where humanitarian partners have access to IDPs and host communities, and where food distribution is consistent. From October 2022 to January 2023, an increasing number of households will likely face Crisis (IPC Phase 3) outcomes as the typical lean season sets in.
- In June and July 2022, Food Security Cluster partners provided humanitarian food assistance to over 600,600 people in northern Mozambique. However, WFP plans to assist 944,480 people with humanitarian food assistance in northern Mozambique in the August/September cycle. To ensure the most vulnerable people in northern Mozambique are reached despite limited resources, WFP is conducting a vulnerability-based targeting exercise to prioritize assistance according to vulnerability status instead of displacement. To build livelihoods in Cabo Delgado, WFP is planning to provide 160,000 people with livelihood interventions (agricultural kits) for the 2022/2023 main planting season in five districts.
- The annual inflation rate increased from 10.8 percent in June 2022 to 11.8 percent in July, the highest inflation rate since August 2017. The continual rise in inflation is coming from the increased costs of transportation and food and non-alcoholic beverages, which are around 19 and 17 percent higher than last year, respectively. More specifically, the National Institute of Statistics (INE) highlights price increases in petrol, diesel, bottled butane gas, tomatoes, and wheat as contributing the most to the increase in the monthly inflation rate. The rise in prices is reducing household purchasing power, particularly very poor and poor households.
- From June to July 2022, maize grain prices increased by 10-22 percent in some monitored markets and doubled in Mutarara market. The sharp increase is likely related to low local supply and increased demand by regional traders. Elsewhere, maize grain prices were relatively stable, except for a 17 percent decline in Manica market likely due to local supply dynamics. Compared to last year and the five-year average, there is a lot of price volatility for maize grain prices in July 2022 compared to prices in July 2021, likely driven by local supply and demand dynamics. These price variations among the different markets impact households' access to foods and level of purchasing power, particularly in areas of greater price volatility.

Projected food security outcomes, August to September 2022



Source: FEWS NET

Projected food security outcomes, October 2022 to January 2023



Source: FEWS NET

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

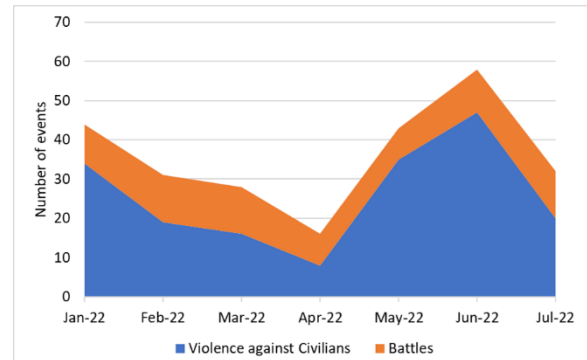
**CURRENT SITUATION**

Across rural Mozambique, most poor households are facing Minimal (IPC Phase 1) outcomes given current food stocks and post-flood and second-season crop production (typically vegetables). Households are further supported by an increased market supply, although prices are above the five-year average. However, in areas of southern and central Mozambique that experienced a poor harvest from prolonged dry spells or storms/cyclones in February and March, Crisis (IPC Phase 3) and Stressed (IPC Phase 2) outcomes are present. Household food stocks are being depleted in these areas and access to income stems from limited income generation opportunities. In conflict-affected areas of the north, Crisis (IPC Phase 3) outcomes persist in Cabo Delgado due to the continuous movement of IDPs, which is limiting their ability to engage in typical income-earning activities for market purchases. However, the areas with regular distribution of humanitarian food assistance (HFA) are showing Stressed! (IPC Phase 2!) outcomes.

Following the completion of the main 2021/2022 agricultural harvest in June, the national harvest is anticipated to be below-normal following multiple shocks during the 2021/2022 agricultural season. Although the official national harvest estimates are not currently available, the government’s ongoing investments in agricultural production, such as the **SUSTENTA** program, particularly in the high production areas, may mitigate national production deficits. However, **FAO GIEWS** estimates that Mozambique produced around 2.6 million tons of cereal, around 4.5 percent lower than last year, and just over 10 percent lower than the five-year average. As a result, the cereal import requirement is forecast at 1.7 million tons in the 2022/23 marketing year (April/March)—13 percent more than the five-year average and cereal imports in 2021/22. In particular, paddy rice production is estimated to be over 6 percent lower than last year, and 5 percent lower than the five-year average. As a result, the import requirement for rice is estimated to be 780,000 tons. Maize imports for both food and feed use are forecast at 275,000 tons, slightly above the five-year average, with most imports likely to be sourced from South Africa. By contrast, wheat imports (wheat is not grown in Mozambique), are forecast to be average (around 650,000 tons) due to Mozambique drawing down reserves to limit import growth amid high global prices. According to FAO, in the preceding three marketing years, wheat supplies from the Russian Federation and Ukraine accounted for an average of 38 percent of the total wheat imports. Given the supply disruptions caused by the war in Ukraine and the subsequent increase in global prices, Mozambique may face supply constraints as it seeks to import wheat from other markets.

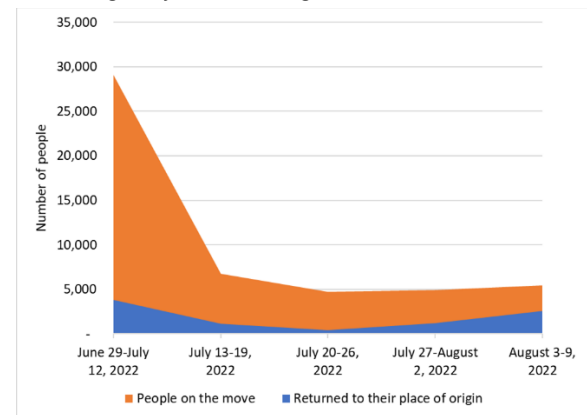
In Cabo Delgado, there was a decline in the number of events involving violence against civilians in July, following increased activity by insurgents in June (Figure 1). However, the ongoing insurgent activity is continuing to displace households and disrupt typical livelihood activities. According to the **IOM Displacement Tracking Matrix**, from June 29 to August 9, 2022, nearly 51,000 people were recorded on the move, with around 9,000 people (~18 percent of all movements) recorded as returning to their place of origin (Figure 2). Most people on the move originated from Ancuabe, an area recently targeted by the insurgents. However, nearly 80 percent of displaced households continue to live with local communities. Overall, the attacks and the fear of attacks continue to be the largest driver of displacement, followed by IDPs returning to their places of origin. Despite the return of some IDPs, the persistent volatility in the security situation—characterized by scattered and sporadic attacks by insurgents, particularly in districts with little or no previously reported conflict—continues to disrupt households from restarting or fully engaging in typical income-earning opportunities. Overall, most IDPs in Cabo Delgado remain reliant on HFA following their minimal participation in the 2021/2022 agricultural season and limited access to

Figure 1. Number of events and battles reflecting violence against civilians in Cabo Delgado, January to July 2022



Source: *The Armed Conflict Location & Event Data Project (ACLED)*

Figure 2. The number of people recorded on the move in Cabo Delgado, June 29 to August 9, 2022



Source: *IOM Displacement Tracking Matrix*

income-earning opportunities. The increase in IDPs, particularly following the increase in conflict events in June is expected to further strain the response capacity of the humanitarian community.

In July 2022, the Food Security Cluster (FSC) partners provided HFA to nearly 253,200 people in northern Mozambique. Due to funding constraints and increased need, WFP continues to distribute half rations (equivalent to 39 percent of daily Kcal) in Cabo Delgado, Nampula, and Niassa from April to September 2022. In the August/September HFA distribution cycle, WFP plans to assist nearly 944,500 people in northern Mozambique. To ensure the most vulnerable people are reached, WFP is conducting a vulnerability-based targeting exercise to prioritize assistance according to vulnerability status instead of displacement, mitigate protection issues, and enhance the transparency of humanitarian assistance distribution process. To build livelihoods in Cabo Delgado, WFP is planning to support up to 160,000 people with livelihood interventions (agricultural kits) for the 2022/2023 main planting season in five districts. WFP's northern Mozambique operations require 17.3 million USD per month to sustain, while currently the [2022 Mozambique Humanitarian Response Plan](#) is around 43 percent funded. Additional funding will be essential to ensure targeted results through January 2023.

From June to July 2022, maize grain prices typically followed seasonal trends and continue to increase as household food stocks decline and market purchases increase. In the monitored markets of Lichinga, Mocuba, Angónia, and Chókwe, maize grain prices increased by 10-22 percent, but doubled in Mutarara market, from 12 MZN/kg in June to around 24 MZN/kg in July. While price increases are typical at this time of year, the sharp rise in Mutarara market is unusual and may be related to low local supply combined with increased demand by regional traders operating in the central region of the country. In other markets, maize grain prices were relatively stable, except in Manica where there is greater monthly price volatility driven by local supply/demand dynamics. Compared to last year, maize grain prices in July 2022 were 13 to 39 percent below their respective prices in Maputo, Manica, Montepuez, and Lichinga markets, 13 to 46 percent higher in Chókwe, Maxixe, and Massinga markets, and 100 percent higher in Mutarara market. In all other monitored markets, maize grain prices were stable compared to last year. Maize grain prices in July 2022 were 8 to 39 percent above the five-year average in most markets, and 8 to 20 percent below the five-year average in Mocuba, Montepuez, and Lichinga markets. The localized price variations result in localized impacts to household purchasing power and food access.

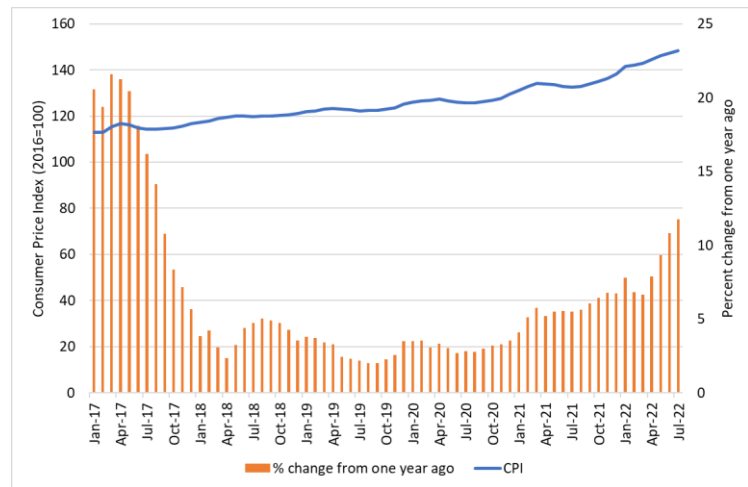
As is typical, maize meal maintained a stable price from June to July 2022 in almost all markets; however, in Chókwe market maize meal prices increased by 30 percent likely due to local supply/demand dynamics, as smaller markets tend to price shift quickly based on available supply. Maize meal prices in July 2022 were similar to last year in most markets, except in Cuamba and Chókwe markets where prices were 15 and 30 percent higher, respectively. Compared to the five-year average, maize meal prices in July 2022 were 7 to 27 percent higher in most markets, except in Maputo, Manica, and Montepuez markets where prices were similar to the five-year average.

Rice prices varied by region and market from June to July 2022, with 20-31 percent increases in Manica, Nampula, and Lichinga, a 13 percent decrease in Cuamba, and stable in all other markets. July 2022 rice prices were either stable or above the July 2021 price level. Prices were 7-40 percent above last year in Manica, Mutarara, Montepuez, Lichinga, and Chicualacuala, and were stable in all other markets. Compared to the five-year average, rice prices in July 2022 were 5-55 percent higher in most monitored markets; however, in Chókwe market rice prices were similar to the five-year average.

In recent years, economic growth in Mozambique has decelerated following several severe shocks, such as the hidden-debt crisis, multiple destructive tropical storms, the war in Cabo Delgado, the COVID-19 pandemic, and the impact of the Russia-Ukraine war on global commodity prices. In July, the consumer price index (CPI) continued to increase, signaling that the cost of food and non-food needs are increasing and likely reducing household purchasing power. In July, annual inflation (non-seasonally adjusted) rose by 1 percentage point to 11.8 percent year-on-year in July, the highest value since August 2017 (Figure 3). On a monthly basis, the CPI increased by 0.6 percent in July after rising by 0.8 percent between May and June. The biggest contributors to the monthly inflation rate are transportation, food and non-alcoholic beverages, and housing and utilities. In particular, price increases in gas, diesel, bottled butane gas, tomatoes, and wheat were identified by Mozambique's National Institute of Statistics (INE) as contributing the most to the monthly inflation rate. The successive increases in fuel prices in March, May, and July, and the consequent increase in the cost of transport and basic food products (cooking oil and bread) is already being felt by the very poor and poor households in urban and peri-urban areas; they have seen their cost-of-living increase and their purchasing power decline. To cope, many households are reducing their expenses and engaging in coping strategies such as relying on less preferred and less expensive foods, purchasing food on credit, and limiting portion sizes at mealtimes.

In response to the rise in the cost of living, the government announced on August 9 the [Package of Measures for Economic Acceleration \(PAE\)](#), a 20-point economic stimulus plan. In particular, the government plans to accelerate growth by gradually reducing the tax burden to improve the purchasing power of households. Some of these measures include reducing the value-added tax (VAT) rate from 17 percent to 16 percent, exempting VAT on the importation of agricultural inputs and electrification products, and reducing the corporate tax rate in agriculture, aquaculture, and urban transport industries from 32 percent to 10 percent. According to Oxford Economics, the measures announced in the PAE will bring some relief to retailers and local agricultural producers, but will not rectify or influence the main causes of inflation, namely the global and domestic supply chain stresses. Furthermore, it is likely that local retailers and producers will not pass on the lower taxes to consumers, but instead use the tax cuts to improve their profits margins which have been eroded by higher transport and fertilizer costs.

Figure 3. Consumer Price Index (2016=100) and the annual percent change, January 2017 to July 2022



Source: FEWS NET using Instituto Nacional de Estatística data

## UPDATED ASSUMPTIONS

Overall, the assumptions used to develop FEWS NET's most likely scenario for the [Mozambique June 2022 to January 2023 Food Security Outlook](#) remain unchanged except for the following:

- Based on forecast model and forecast climate modes, average rainfall is most likely for the start of the 2022/23 rainy season, between October and December, in central and southern Mozambique. Below-average rainfall and a slow start of the season is most likely during the same period in northern Mozambique. Between December 2022 and March 2023, there is an increased likelihood of an above-average number of cyclone strikes in Madagascar and Mozambique, given the probability of La Niña and a positive Subtropical Indian Ocean Dipole (SIOD).

## MOST LIKELY PROJECTED OUTCOMES THROUGH JANUARY 2023

In August and September, most households across Mozambique will be able to meet their basic food needs and will likely face Minimal (IPC Phase 1) outcomes. However, in most areas in central Mozambique, despite accessing delayed harvests and some second season and post-flood production, very poor households are likely to remain Stressed (IPC Phase 2) following successive shocks earlier in the year that resulted in the loss of crops and livelihood assets, accompanied by high food prices. In the drought-affected areas of inland Gaza and Inhambane provinces, and southern Manica and Sofala provinces, poor households are intensifying their typical coping strategies to earn income and reduce food consumption gaps. Some typical coping strategies include selling more animals than usual (for households that have animals), increasing charcoal production, wild food consumption, and reliance on casual labor for income, reducing non-essential expenditures, and increasing migration to urban centers and to South Africa. However, high market prices and limited access to income is likely to constrain household purchasing power. An increasing number of poor households are likely in need of HFA to avoid the depletion of essential livelihood assets, driving area-level Crisis (IPC Phase 3) outcomes well before the typical start of the lean season in October/November. Crisis (IPC Phase 3) outcomes also persist in Ilha de Moçambique, Mogincual, and Mossuril districts in Nampula province due to limited access to food, limited income-earning opportunities, and the weakening capacity of host communities to support households that were severely impacted by the storms/cyclone and floods earlier in the year. In Cabo Delgado, conflict-affected areas will see Crisis (IPC Phase 3) outcomes driven by the high volatility of insecurity from sporadic and unpredictable attacks by small groups of insurgents. Stressed! (IPC Phase 2!) outcomes are expected in areas where humanitarian partners have access and food distribution is consistent.

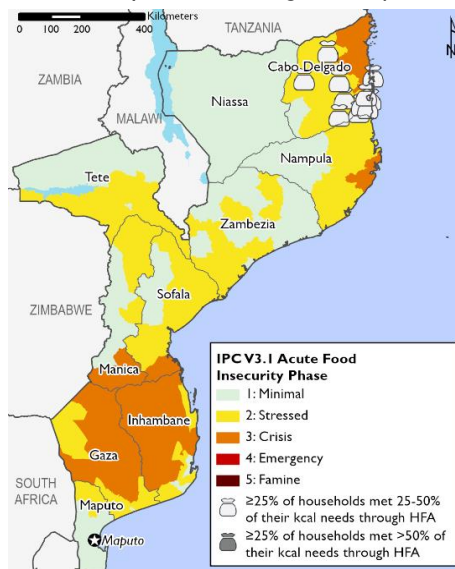
From October 2022 to January 2023, Crisis (IPC Phase 3) outcomes will likely be seen in several populations and those populations are likely to intensify their coping strategies. Poor households in drought-affected areas will continue to

experience food consumption deficits due to higher-than-average food prices, limiting their food access in markets. The start of the rains, typically in November, is likely to increase agricultural labor opportunities such as land preparation and planting. However, agricultural labor wages in these drought-affected areas are likely to be lower than usual due to middle and better-off households having less payment power following below-normal crop sales from the 2021/22 season. The poorest households, without livestock to sell or the ability to produce and sell charcoal, are likely to increasingly engage in consumption based coping strategies to minimize food consumption gaps and rely on support from family and friends. In Nampula, poor and very poor households did not have the opportunity to replant due to a lack of seeds and the loss of assets are depleting their food reserves much earlier than usual and will need to find ways to minimize food consumption gaps. In urban and peri-urban areas, very poor households will need to compensate for high fuel and wheat prices that continue to limit their purchasing power by minimizing food and transportation costs. In conflict-affected areas, continued displacement is likely to keep humanitarian assistance needs high, limit access to income-earning opportunities, and lessen the ability of households to participate in the agricultural season.

**MOST LIKELY FOOD SECURITY OUTCOMES AND AREAS RECEIVING SIGNIFICANT LEVELS OF HUMANITARIAN ASSISTANCE\***

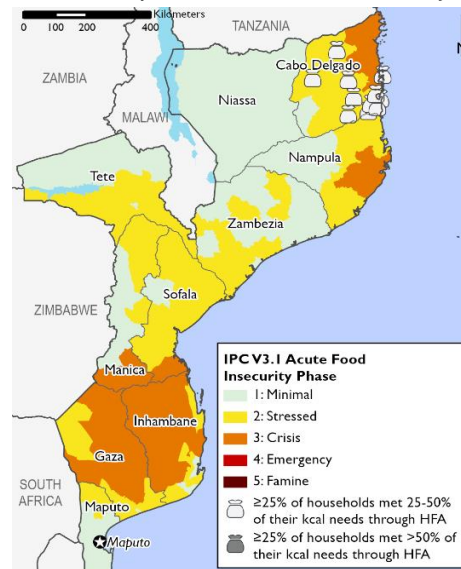
Each of these maps adheres to IPC v3.0 humanitarian assistance mapping protocols and flags where significant levels of humanitarian assistance are being/are expected to be provided. ☺ indicates that at least 25 percent of households receive on average 25–50 percent of caloric needs from humanitarian food assistance (HFA). ☹ indicates that at least 25 percent of households receive on average over 50 percent of caloric needs through HFA. This mapping protocol differs from the (!) protocol used in the maps at the top of the report. The use of (!) indicates areas that would likely be at least one phase worse in the absence of current or programmed humanitarian assistance.

Projected food security outcomes, August to September 2022



Source: FEWS NET

Projected food security outcomes, October 2022 to January 2023



Source: FEWS NET

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*FEWS NET: Mozambique Food Security Outlook Update August 2022: Food assistance needs remain high and are likely to increase during the upcoming lean season, 2022*

**ABOUT SCENARIO DEVELOPMENT**

To project food security outcomes, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes these assumptions in the context of current conditions and local livelihoods to arrive at a most likely scenario for the coming eight months. [Learn more here.](#)