



From: Franco Scotti (Horti-sempre Project Manager)

To: Swisscontact – Horti-sempre FU

Subject: Note on Vegetables Consumption Trend Nacala Corridor 2013-2017

VEGETABLES CONSUMPTION 2016 (Waresta – Northern Mozambique)

Background

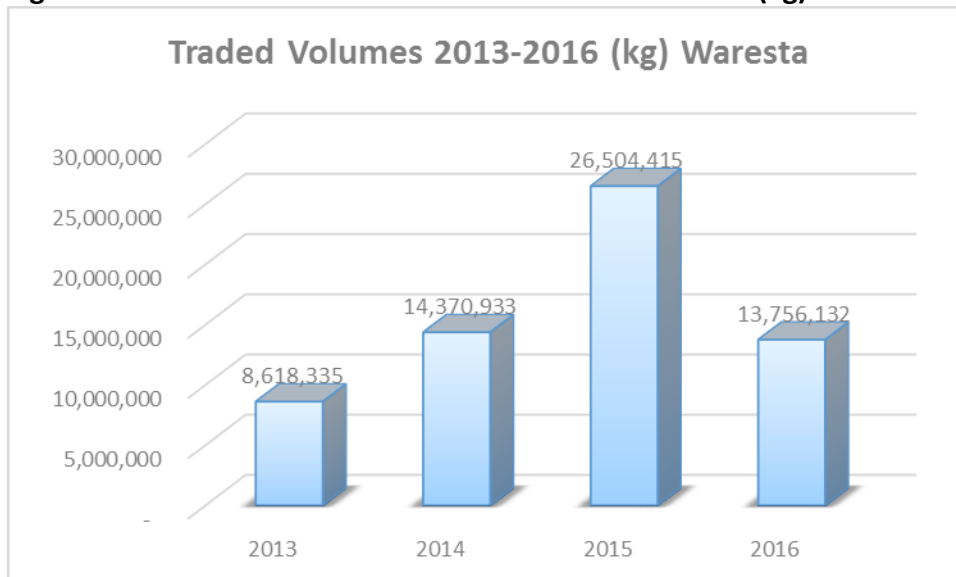
As you all probably know Horti-sempre projects measures the volumes of traded vegetables in the Nacala Corridor collecting daily traded volumes/ by crops at the Waresta wholesale market in Nampula that is the main horticultural hub for the Nacala Corridor and more in general for Northern Mozambique.

The data collected are a good indicator of the consumption trends in the market, although we know they capture only 30%-40% of the entire volumes traded, and are not representative for crops like lettuce and kale that are sold mainly through different channels (outside the wholesale scheme).

Main Results

- In the year 2016 vegetables consumption (measured using as proxy indicator traded volumes at the Waresta wholesale market), has decreased by -48% vs. previous year, returning on the levels of the year 2014.

Figure 1: Traded Volumes at Waresta Wholesale Market (kg) 2013-2016



Source: Waresta Horticultural Index

- The decrease is generalized, and homogeneous for most of the crops except for carrots (-33%, thus well below average), and garlic (-86%, well above average) where probably the drastic drop is mainly due to the disruption of the main artery-road south-north from where the almost totality of the crop is imported.

Figure 2: Traded Volumes at Waresta Wholesale Market (kg) 2016 vs. 2015 by crop

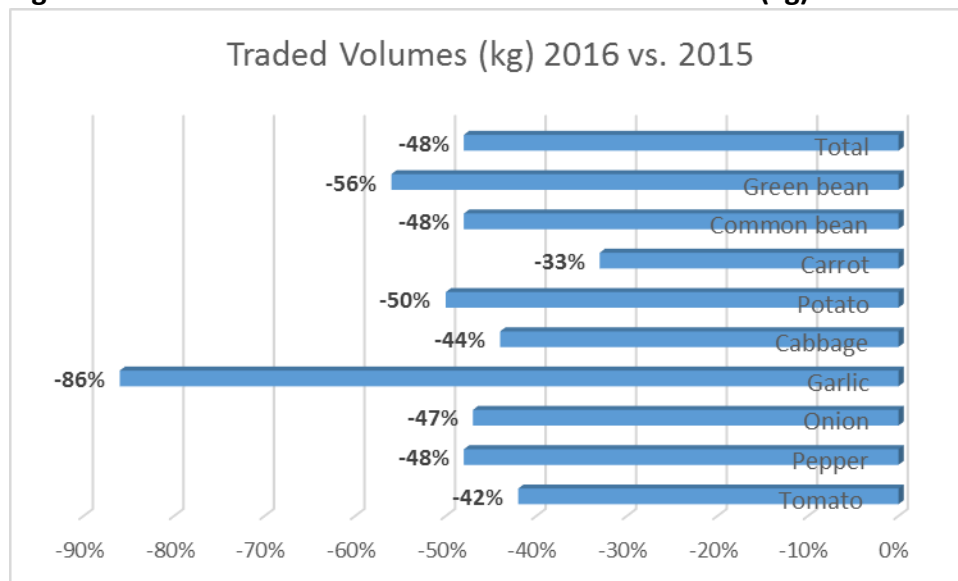
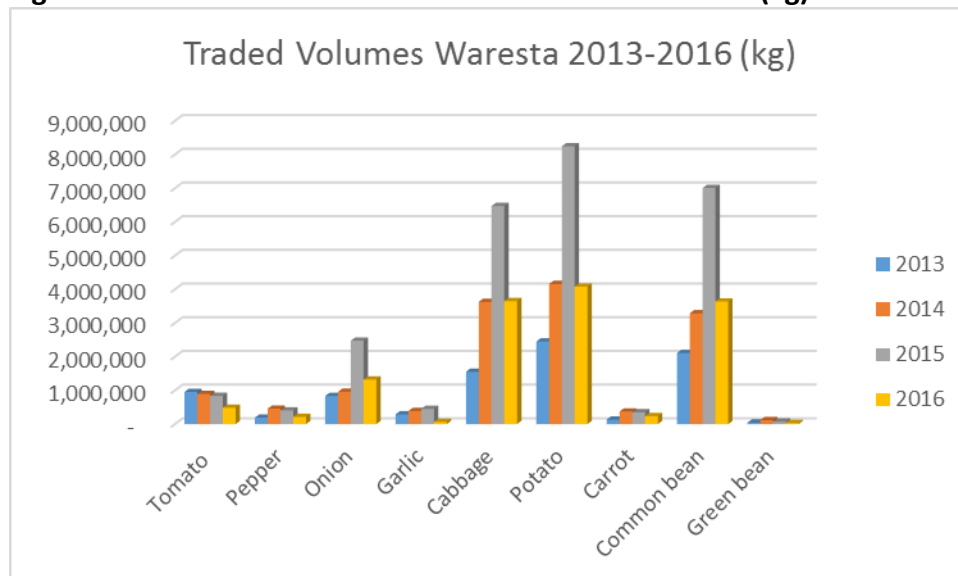


Figure 3: Traded Volumes at Waresta Wholesale Market (kg) 2013-2016 by crop



- This strong shrinking of the vegetables consumption comes as no surprise considering the economic crisis afflicting Mozambique, in a context of high inflation, public spending



cuts, growing unemployment, factors that have all affected consumption of items, such as vegetables, that are still considered as non-essential to most of the population of Northern Mozambique. As a matter of fact, similar decreases have been registered for products such as meat, poultry, and dairy, according to the data provided the main supermarkets operating in Nampula (Shoprite and Recheio).

Next Steps

In sight of this new data, and considering there are no signs Mozambican economy will turn around during 2017, I would recommend a slightly modification of our strategy as originally planned in the PRODOC for Phase 2 of the project, and in particular:

1. Share with SDC these data in the scheduled meeting of end of March, highlighting the original assumption horticultural products are a powerful cash crop for the smallholders of the Nacala Corridor (and Northern Mozambique) must be revised under the current circumstances, that although temporary, may last for the next two years to come;
2. For the Nacala Corridor prioritize intervention on staple crops (beans & cassava) that were also in Horti-sempre PRODOC, while slowing down on interventions aimed at increasing yields and productivity of vegetables;
3. Replace some of the interventions on yields and productivity, especially in the Nacala Corridor, with activities that target diversification/import substitution, focusing initially on white onion, garlic (mostly imported from South Africa and China) and cabbage (intra-regional import from Angonia);
4. With regards to Cabo Delgado (Montepuez & Balama) to stick to the original strategy of boosting productivity through the introduction of the new varieties (underway) and the new practices (the 4s, Spacing, scaling, staking, and soil coverage), considering that in this province the level of production is still unable to catch up with demand.

Yours faithfully,

Franco Scotti

(Project Manager)



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