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THE PARADOXES OF AGRICULTURAL INFLATION (MAIZE FALLS, TOMATO RISES)

A CRITICAL READING OF THE MAY 2026 CONSUMER PRICE INDEX

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INTRODUCTION

The Consumer Price Index (CPI) for May 2026, released by the National Institute of Statistics (INE) on 10 June 2026, records a monthly inflation rate of 2.32% (the highest in several months), a cumulative inflation rate of 5.19% and a year-on-year change of 7.22%. These figures, read in aggregate, describe a worrying acceleration of prices. Yet it is in their disaggregated reading (product by product, city by city) that the May 2026 CPI reveals something analytically richer: a structural paradox we term the "maize-falls-tomato-rises syndrome".

The central argument of this Destaque is that these paradoxes reflect an economic structure in which rural producers sell cheaply what they produce in abundance and pay dearly for what they do not produce or cannot store; in which cost shocks (fuels) affect disproportionately the cities of the interior and the North, which are more dependent on long-distance road transport; and in which inflation in fresh produce and fish deepens the food insecurity of the poorest households even when cereals are more affordable. The text analyses these paradoxes from a multidisciplinary perspective (economic, social, territorial and political) and concludes with recommendations for a price stabilisation policy that simultaneously protects the most vulnerable producers and consumers.

1. THE MAY 2026 CPI: A SNAPSHOT OF INFLATION IN A CONTEXT OF CRISIS

1.1. The fuel shock becomes visible in prices

The May 2026 CPI is, first and foremost, the first monthly bulletin to record the impact of the fuel price increase decreed by ARENE on 7 May 2026[2]. The monthly inflation rate of 2.32% represents an abrupt break with the trajectory of previous months: in April 2026, monthly inflation had been just 0.63%; in February, 0.68% (INE, 2026a; INE, 2026b)[3]. The

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[2] Autoridade Reguladora de Energia. (2026). Actualização dos preços dos produtos petrolíferos regulados. Comunicado de Imprensa. https://arene.org.mz/wp-content/uploads/2026/05/Comunicado-de-Imprensa-Maio-2026.pdf

[3] - INE — Instituto Nacional de Estatística. (2026a, 8 de Maio). Índice de Preços no Consumidor — Moçambique (8 Cidades), Abril de 2026. Base: 2023=100. INE.

jump from 0.63% to 2.32% in a single month illustrates the speed and breadth with which a fuel shock transmits through the general price level in an economy highly dependent on road transport.

The Transport division was, in isolation, the largest contributor to May's inflation, accounting for 1.80 percentage points (pp) of the total 2.32%, meaning that 77.6% of monthly inflation is explained by the transport shock. The Food and Non-Alcoholic Beverages division contributed 0.32 pp, with the remaining divisions sharing the residual 0.20 pp. This concentration of inflationary pressure in a single division has important analytical implications: it shows that what we are facing is an external supply shock (the rise in fuel costs) transmitted to the economy through the transport price system, and not a generalised demand-driven inflation.

The Bank of Mozambique, at the Monetary Policy Committee meeting of 25 May 2026, chose to maintain the reference interest rate at 9.25% while raising the mandatory reserve ratio in domestic currency. The Governor acknowledged that "inflation could reach double digits due to the fuel crisis caused by the conflict in the Middle East" (Observador, 2026)[4].

Table 1: Key CPI Indicators for May 2026

Indicator	Value (%)
Monthly change	2.32
Cumulative change (Jan–May 2026)	5.19
Year-on-year change	7.22
Monthly contribution - Transport	1.80 pp
Monthly contribution - Food and beverages	0.32 pp
Monthly change in diesel	44.5
Monthly change in urban semi-collective transport	11.9
Monthly change in taxis	23.5
Monthly change in long-distance coaches	26.3
Monthly change in fresh fish	11.7
Monthly change in tomato	5.7
Monthly change in maize grain	–14.4
Annual inflation 2025 (reference)	3.23

Source: INE (2026), CPI May 2026: Mozambique (8 Cities).

-INE — Instituto Nacional de Estatística. (2026b, 10 de Março). Índice de Preços no Consumidor — Moçambique (8 Cidades), Fevereiro de 2026. Base: 2023=100. INE.

[4] Observador. (2026, 10 de Junho). Preços em Moçambique disparam 2,32% e quadruplicam num mês. https://observador.pt/2026/06/10/precos-em-mocambique-disparam-232-e-quadruplicam-num-mes/

1.2. Contextualising the May 2026 CPI

To properly contextualise the May 2026 CPI, it is important to situate the recent inflationary trajectory. In 2025, annual cumulative inflation was just 3.23%, below the government's forecast of 7% (Observador, 2026). Between April and July 2025, Mozambique recorded four consecutive months of deflation, an unusual phenomenon reflecting relative fuel price stability and a favourable harvest season. Year-on-year inflation in April 2026, prior to the fuel shock, stood at just 4.41% (INE, 2026a). The sharp acceleration in May (to 7.22% year-on-year) highlights the magnitude of the shock and the speed of its transmission through the price system.

The political and institutional context in which this shock occurs is equally relevant. Mozambique is going through a period of post-electoral instability: the protests of late 2024 and early 2025 disrupted the economic and social fabric, with destruction of infrastructure and a temporary breakdown of supply chains. President Daniel Chapo explicitly acknowledged that this period "resulted in a negative GDP variation of around 4.9%" (Agroportal, 2025)[5]. In this context of accumulated fragility, the fuel shock of May 2026 arrives in an already weakened economy, with reduced institutional response capacity and a population whose resilience to shocks has been severely tested. The risk of inflation reaching double digits by end-2026, as the Bank of Mozambique has warned, is therefore more serious than the May figures, in isolation, suggest.

2. THE CENTRAL PARADOX: MAIZE FALLS, TOMATO RISES

2.1. The seasonality of agricultural prices: a perverse logic

The most revealing figure from May 2026 CPI is the 14.4% fall in the price of maize grain. This decline, apparently positive, is the most direct expression of one of the most documented structures of exploitation in African subsistence agriculture: the sale of cereals at low prices during the harvest season by smallholders who need immediate liquidity, and the repurchase of the same cereals at higher prices during the pre-harvest lean season. This dynamic, described in the literature as the "harvest poverty trap", has been documented for Mozambique in multiple academic studies (Barrett, 2008; Mather et al., 2013; WFP, 2022)[6].

The mechanism is well known. In May, the maize harvest from the 2025–2026 season arrives simultaneously on markets across the country, with a forecast production of 21.3

[5] Agroportal. (2025, 17 de Maio). Moçambique espera crescimento de 5% na produção agrícola em 2025 — PR. https://www.agroportal.pt/mocambique-crescimento-producao-agricola-2025/

[6] - Barrett, C. B. (2008). Smallholder market participation: Concepts and evidence from eastern and southern Africa. Food Policy, 33(4), 299–317. https://doi.org/10.1016/j.foodpol.2007.10.005

- Mather, D., Boughton, D., & Jayne, T. S. (2013). Explaining smallholder maize marketing in southern and eastern Africa: The roles of market access, technology and household resource endowments. Food Policy, 43, 248–266. https://doi.org/10.1016/j.foodpol.2013.03.008

- WFP — World Food Programme. (2022, 16 de Maio). Mozambique's 2022 post-harvest down by 30%. Farmers Review Africa. https://farmersreviewafrica.com/mozambiques-2022-post-harvest-down-by-30-wfp/

million tonnes, representing growth of 26% (MAAP/MZNews, 2026)[7]. This abundant and simultaneous supply drives prices down. But rural producers — who lack adequate storage infrastructure, who have accumulated debts during the production cycle and who need to pay for inputs, school fees and other immediate obligations, sell at this moment of low prices. The WFP documented this paradox precisely: "Farmers tend to sell their production immediately after the harvest. Later, in the dry season, they buy back the same products when prices are higher. This reduces agricultural returns and, consequently, investment" (WFP, 2022). A 14.4% fall in maize prices in May means that rural producers are selling more cheaply, and that in September or October, when maize becomes scarce, they will repurchase it at higher prices.

The scale of this income transfer is systemic. A farmer in Angónia or Mocuba who sells 500 kg of maize in May at a price 14.4% lower than the previous month receives less money for a product that cost the same to produce. If, six months later, they need to repurchase maize for the household, they will pay a significantly higher price. The difference is the rent that flows from the producer to the intermediary who performs the storage and temporal arbitrage. Without access to adequate storage, without credit to carry them through without selling, and without information on future prices, the rural producer always loses.

2.2. Tomato, fresh fish and the fuel-dependent logistics chain

While maize falls, tomato rises by 5.7% and fresh fish by 11.7%. This asymmetry reflects a fundamental difference in the supply chains of perishable products versus cereals. Tomato and fresh fish share three characteristics that make them particularly sensitive to the fuel shock: they are highly perishable (they cannot be stored without refrigeration); they depend on rapid transport to reach the market in good condition; and their supply chains involve multiple logistical stages, each of which incorporates fuel costs.

The increase in diesel prices in May 2026 was immediately transmitted to the transport costs of perishable products. Refrigerated trucks carrying fresh fish from the coast to inland cities, trucks distributing tomatoes from production areas to urban markets, and distributors running delivery routes in city peripheries all experienced an abrupt rise in operating costs. As DinheiroFala (2026)[8] put it: "tomato, onion, cabbage, fish, chicken, rice and other products do not magically appear at the market. They leave production areas, pass through intermediaries, travel along roads, pay freight, unloading, storage and, very often, are transported again to the neighbourhood. If each stage becomes more expensive, the final price rises." This chain of transmission is all the more direct the more perishable the product.

[7] MAAP — Ministério da Agricultura, Ambiente e Pescas / MZNews. (2026, 17 de Maio). Chapo anuncia reformas para transformar comercialização agrícola. https://mznews.co.mz/chapo-anuncia-reformas-para-transformar-comercializacao-agricola-e-coloca-produtor-no-centro/

[8] DinheiroFala. (2026, 12 de Maio). O impacto da subida do preço dos combustíveis no bolso dos moçambicanos, e o que fazer para reduzir os efeitos. https://dinheirofala.com/preco-dos-combustiveis/

The paradox that emerges from this convergence of trends is nutritionally perverse. In May 2026, cereals (which provide basic calories) are more affordable, while foods that provide proteins (fresh fish) and vitamins (tomato, cabbage) are more expensive. For the poorest households, this price structure deepens nutritional vulnerability: maize becomes accessible, but the diet surrounding it (the fish relish, the vegetables, the greens) becomes more costly. The likely result is an increase in caloric intake combined with a deterioration in dietary quality, with consequences for health, child development and labour productivity.

3. THE GEOGRAPHY OF INFLATION: WHY THE INTERIOR SUFFERS MORE THAN MAPUTO

3.1. The territorial differential: Quelimane, Nampula and Tete vs. Maputo

One of the most revealing dimensions of the May 2026 CPI is the geographical disaggregation of inflation. The differences between the eight cities monitored by INE are not marginal, they are structurally significant and politically eloquent. In terms of monthly change, Quelimane recorded 4.26%, more than three times the 1.36% in Maputo. In cumulative terms (January to May), Xai-Xai leads with 8.41%, followed by Nampula with 6.62%, while Maputo accumulates just 3.64%. In year-on-year terms, Tete recorded 11.90% more than double the 3.92% of the capital (INE, 2026c)[9].

Table 2: Price Changes by City (CPI May 2026)

City	Monthly Change (%)	Cumulative Change (%)	Year-on-Year Change (%)
Quelimane	4.26	4.66	9.67
Nampula	3.62	6.62	7.51
Inhambane Province	2.53	6.21	7.63
Tete	2.28	5.89	11.90
Beira	2.03	5.34	6.26
Xai-Xai	1.55	8.41	9.76
Chimoio	1.42	4.92	8.39
Maputo	1.36	3.64	3.92
Mozambique	**2.32**	**5.19**	**7.22**

Source: INE (2026), CPI May 2026 — Mozambique (8 Cities).

These territorial differences reflect a structure of economic vulnerability with at least three converging determinants. The first is distance from fuel distribution terminals and

[9] INE — Instituto Nacional de Estatística. (2026c, 10 de Junho). Índice de Preços no Consumidor — Moçambique (8 Cidades), Maio de 2026. Base: 2023=100. INE.

major supply centres. Cities such as Quelimane, Tete and Nampula are significantly further from Maputo and Beira than southern cities. A rise in fuel prices increases transport costs not only at the destination city but across the entire distribution route from port terminals, and the longer the route, the greater the amplification of the shock.

The second determinant is greater dependence on imported goods or products from distant production regions. Quelimane, which records the country's highest monthly inflation in May, is a city whose supply depends largely on road transport from Maputo or from the ports, with no functioning long-distance rail alternatives. Every litre of diesel that rises in price is reflected in every tonne-kilometre of product transported, and at the destination cities prices incorporate that accumulated cost.

The third determinant is lower competition in the local markets of interior cities. In Maputo, multiple suppliers, multiple supply routes and sufficient demand sustain a degree of competition that limits intermediaries' pricing power. In Quelimane or Tete, the number of suppliers is smaller, supply routes are more limited and competition is weaker, which allows cost shocks to be more completely passed on to consumers, without the dampening effect that competition would produce in a thicker market.

3.2. Tete's inflation: a case of accumulated shocks

Tete merits specific attention. With a year-on-year variation of 11.90% (the highest in the country), this central Mozambican city exhibits a pattern of accumulated inflationary pressures that goes well beyond the May fuel shock. This high year-on-year variation suggests that price pressures in Tete represent a trend that has built up over the past year.

Tete is a city with distinctive economic characteristics: it is the hub of a highly active mining region (coal, titanium), with a significant presence of foreign workers and operators who drive up demand and prices for services, particularly housing, restaurants and transport. At the same time, its inland location and dependence on roads of variable quality make it especially vulnerable to logistical shocks. The combination of elevated demand (from mining sector workers) and constrained supply (from logistical limitations) creates conditions for structurally higher inflation than the national average, a condition that the fuel shock amplified but did not create.

4. WHO PAYS THE BILL: THE DISTRIBUTIVE IMPACTS OF MAY 2026 INFLATION

4.1. The rural producer: cheap seller, expensive buyer

The maize producer in Angónia, Mocuba or Nampula who brings the harvest to market in May sells at a price 14.4% lower than the previous month. At the same time, the freight cost of transporting produce to the market has risen. The trader who collects the maize from the field charges more for transport. The producer, under pressure from the need

for immediate liquidity and without storage capacity, accepts. The net result is that the producer sells more maize for less money, having paid more to produce and market it.
This is the double penalisation of the rural producer during the harvest season: product prices fall (seasonal abundance effect) and marketing costs rise (fuel shock effect). The producer absorbs both shocks simultaneously, with no protective mechanism. Intermediary traders, who have the capital to store and sell later, and who passed the fuel cost on to the producer via higher freight charges, capture the available rent in the chain. This income transfer is not new, but the May 2026 fuel shock amplified it abruptly and without recent precedent.

4.2. The urban poor consumer: the inflation that hurts most

For the urban poor consumer in Quelimane, Nampula or Tete, who does not produce food, who depends entirely on the market for nutrition, and who spends a very high fraction of income on food and transport, May 2026 inflation is particularly destructive. Cheaper maize is relatively good news, but fresh fish +11.7%, semi-collective transport +11.9% and taxis +23.5% have significant direct impacts on the household budget.
In a household in Quelimane spending 60% of income on food and 15% on transport, May's inflation represents a far more severe negative impact than the headline 4.26% suggests: the 15% transport expenditure suffered a shock of between 11.9% and 26.3%, while the 60% food expenditure experienced a weighted inflation that combines the fall in maize with the rise in tomato and fish. The inflation actually experienced by poor households is, in many cases, higher than the average CPI figure, because the CPI weights the consumption of an "average" household that includes middle- and high-income families in its weighting, not the poor family in the peri-urban neighbourhood of Quelimane.

4.3. Women: managers of the impossible

Mozambican women, the primary managers of household food budgets, the main sellers in informal markets for fresh produce and the primary users of semi-collective transport for daily journeys to the market — find themselves at the intersection of all the shocks of May 2026. They manage household budget scarcity in a context in which more expensive nutritious products (fish, tomato) have risen while cheaper cereals have fallen; they depend on chapas and taxis that have become 11.9% and 23.5% more expensive; and they sell in informal markets in a context where their customers' purchasing power has also been compressed by the same set of shocks. May 2026 inflation is not gender-neutral: it falls disproportionately hard on women who combine the roles of producers, traders and household consumption managers.

5. IMPLICATIONS AND RECOMMENDATIONS

5.1. Rural storage: the priority that was never resolved

The 14.4% fall in maize prices in May is in itself a problem: it would be positive if producers could store the harvest and sell later, when prices rise. The problem is that they cannot. Post-harvest losses in Mozambique are estimated at between 20% and 40% of total production (FAO, 2019)[10], and one of the main causes is precisely the absence of adequate storage infrastructure in rural areas, which forces producers to sell immediately at the season's lowest price. MIC has signed concession contracts for silo complexes under public-private partnership arrangements (MIC, n.d.)[11], but the scale and territorial distribution of this infrastructure urgently need to be expanded so that smallholders can effectively benefit.

The first recommendation is therefore urgent, territorially distributed investment in small- and medium-scale storage infrastructure (community silos, district warehouses, low-cost hermetic bag systems) that would enable smallholders to store part of the harvest and sell throughout the year. This is the most direct intervention for breaking the harvest poverty trap.

5.2. Price information systems: the producer's right to know

The information asymmetry between the rural producer and the intermediary trader is one of the most powerful mechanisms of income transfer. The producer who does not know the price of maize in Nampula city or in Maputo accepts whatever price the trader offers. The trader who knows the prices buys low and sells high, capturing the information margin.

The Mozambique Commodity Exchange (BMM) has precisely this as its mission: to reduce information asymmetries, publish reference prices and create an organised and transparent market. As was recommended in the Destaque Rural analysis on the agricultural marketing reforms announced by the President in Ribaué — between intention and institutional capacity — the BMM has existed for more than a decade but remains underutilised[12]. The recommendation is the same: equip the BMM with resources to disseminate real-time price information so that the producer in Malema or Morrumbala knows, before selling, what a fair price is.

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[10] FAO — Food and Agriculture Organization. (2019). The State of Food and Agriculture 2019: Moving Forward on Food Loss and Waste Reduction. FAO. https://www.fao.org/publications/sofa/2019/en/

[11] MIC — Ministério da Indústria e Comércio. (s.d.). Gestão de Complexos de Silos e Armazéns de Cereais e Leguminosas. https://www.mic.gov.mz/por/Noticias/Gestao-de-Complexos-de-Silos-e-Armazens-de-Cereais-e-leguminosas

[12] Dadá, Yasser. (2026). As reformas de comercialização agrícola anunciadas pelo presidente em Ribaué entre a intenção e a capacidade institucional. Destaque Rural 373. https://omrmz.org/destaque_rural/dr-373-as-reformas-de-comercializacao-agricola-anunciadas-pelo-presidente-em-ribaue-entre-a-intencao-e-a-capacidade-institucional/

5.3. Cold chain and value addition for fresh produce

The 11.7% rise in fresh fish prices in May reflects, in part, the greater logistical dependency of this product and, in particular, the absence of cold chain infrastructure that would allow supply to be stabilised over time. In Mozambique, where the coastline extends almost 2,500 km and fishing production is substantial, fish should be an affordable and abundant food for the entire population. It is not — because post-catch losses are high, cold chains are insufficient and refrigerated transport costs are prohibitive.

Investment in cold chain infrastructure (cold storage facilities in coastal areas, subsidised refrigerated vehicles for rural routes, small-scale fish processing and preservation units) simultaneously reduces losses, stabilises supply and mitigates inflationary pressures on fresh produce. This is an area where public investment has clear and documented economic and nutritional returns.

5.4. A CPI that measures the inflation of the poorest

The final methodological recommendation is that INE develop a CPI disaggregated by income quintile, an instrument that measures the inflation actually experienced by the poorest households, not merely the average inflation of a "representative" household whose weights include middle- and high-income families. A CPI for the bottom 20% would assign much higher weights to basic foods and transport, and far lower weights to services, leisure and durable goods. In May 2026, the inflation experienced by the poorest households was, in all likelihood, higher than the 2.32% reported and knowing that difference is a necessary condition for a social protection policy genuinely targeted at the most vulnerable.

CONCLUSION

The May 2026 CPI tells a story in two registers. In the first register, that of the aggregate figure, it tells the story of a monthly inflation rate of 2.32%, worrying but still short of double digits. In the second register, that of individual products, cities and households, it tells a far more disturbing story: that of a maize whose price falls while the producer who grew it becomes poorer; that of a tomato whose price rises because diesel rose and each link in the chain passed the cost to the next; that of Quelimane inflating at 4.26% while Maputo inflates at 1.36%, not because Quelimane's residents consume more, but because they live further from distribution terminals and have fewer supply alternatives[13].

The paradox of the maize that falls and the tomato that rises is, ultimately, the paradox of an agrarian economy that produces abundance without being able to convert that

[13] For an analysis of fuel price transmission mechanisms along the agricultural value chain, see Dadá, Yasser (2026). Fuel as a factor of agricultural production: the cost in the value chain in Mozambique. Destaque Rural 374. https://omrmz.org/destaque_rural/374-o-combustivel-como-factor-de-producao-agricola-o-custo-na-cadeia-de-valor-em-mocambique/

abundance into well-being for those who produce it. The 21.3 million tonnes of the 2026 campaign, the 26% growth, the rhetoric about food sovereignty, all of this is real. But equally real is that in May 2026, at the peak of that abundance, the maize producer sold more cheaply, paid more to transport the harvest, and found tomato and fresh fish in the city markets more expensive than the month before.

The public policy Mozambique needs is not one that celebrates production records: it is one that ensures what is produced reaches the market at fair costs, that the producer receives a price that covers their effort, and that the poor consumer has access to a nutritious diet at prices within their means. Until these three objectives are treated as an integrated policy, encompassing storage, logistics, price information, social protection and energy, the harvest poverty trap will persist. And those who bear the bill, as always, will be those least able to pay it.

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