

# Mozambique News Agency

## AIM Reports

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## New variety of rice designed for Mozambique

A new variety of rice developed in Mozambique to meet the needs of local growers will soon be available following extensive trials. The rice variety, Makassane, was bred by the International Rice Research Institute (IRRI) and has been tested by the Mozambican government's Agricultural Research Institute (IIAM) in six areas of the country over a three year period. It is best suited for irrigated fields in the south of the country.

Makassane's yield is similar to the most popular variety, Limpopo, which is about 6 to 7 tonnes per hectare. However, it has the advantage of being resistant to bacterial leaf blight and blast. Farmers in the village of Makassane found that the rice plants were tall enough to survive minor flooding while not too long to be prone to falling over.

According to IRRI, the variety produces a long grain and has a higher milling recovery rate than Limpopo.

This is the first rice developed by IRRI specifically for Mozambique, but the Institute is planning further releases. According to the organisation's coordinator for southern Africa, Dr Surapong Sarkerung, "this is just the beginning. We have recently identified many promising potential new rice varieties that combine superior grain quality with high yield and resistance to major diseases, and are suitable for growing in Mozambique."

Sarkerung argues "Mozambique has a vast area of land suitable for rice production. If better varieties like Makassane can be more widely adopted, Mozambique could become both self-sufficient in rice and a rice exporter because the grain quality of Makassane and the other rice varieties we are developing meet international quality standards".

IRRI has provided Mozambique with the foundation seed from which a first crop will be grown to produce seed for distribution to farmers.

Funding for developing the seed came through the Stress-Tolerant Rice for Africa and South Asia (STRASA) project, which is supported by the Bill & Melinda Gates Foundation, and the Mozambique Platform for Agricultural Research and Technology Innovation backed by USAID.

In February IIAM researcher Rafael Uaiene told a seminar in Maputo that an important factor in the low productivity in Mozambican agriculture is the lack of use of improved seeds. He stated that improved seeds for rice were used by only three per cent of farmers in 2007.

### Chokwe seeking more funds for rice production

The Chokwe Irrigation Scheme (Hidraulica Agricola de Chokwe, HICEP) is seeking additional funds estimated at more than 100 million meticaís (about \$3.5 million) to finance rice production in the 2011/12 agricultural campaign which begins in September.

The campaign is expected to cover an area of five thousand hectares. But, according to Monday's issue of the Maputo daily "Noticias", the HICEP Chairperson, Salomao Matsule, revealed that funds are so far guaranteed by local producers to cover just two thousand hectares.

Much of the scheme is still waterlogged due to flooding that took place in November 2010 and in February this year.

According to Matsule, this situation is stopping rice from being grown over a larger area. However, contractors have been brought in to clear ditches while HICEP awaits the arrival of three excavators.

"We are committed to solving other problems obstructing the success of the next campaign, such as the provision of agricultural inputs and the necessary funding. Because of the financial efforts of the government, HICEP and the farmers will use 6,500 hectares, of which 5,000 hectares will be for rice production", said Matsule.

The 2010/11 agricultural campaign at Chokwe is expected to produce about 15,000 tonnes of rice. It was originally planned that seven thousand hectares would be cultivated. However, this was not possible due to a lack of machinery to prepare the fields and the effects of flooding. As a result only three thousand hectares were planted last year.

The irrigation scheme covers an area of 34,000 hectares. However, only 22,700 hectares are useable, of which a mere 7,000 hectares are actually being exploited.

## Land disputes delay Bela Vista Rice Project

Land disputes in the southernmost district of Matutuine, Maputo province, are delaying the implementation of a project to grow and process rice which aims to cut Mozambique's rice imports by a fifth.

The Bela Vista Rice Project is co-owned by the Libyan state's Libyan African Investment Portfolio (LAP) and the Mozambican company Ubuntu.

The project plans to grow rice in an area of six thousand hectares in the initial phase beginning in September this year. That would produce around 40,000 tonnes of rice per year. The plan is to continue expanding the project until it covers an area of 20,000 hectares.

However, the plan is being endangered by land disputes. The project currently only has access to 1,800 hectares of which 400 hectares are used for seed production. The remaining 1,400 hectares are not situated in a contiguous block, which is a barrier to installing an effective irrigation system.

According to "Diario de Mocambique", the chief in the locality of Tinonganine, Abel Machango, lamented that just before the project was due to be launched many people suddenly appeared brandishing land titles, known as DUATs, covering areas where the project had planned to expand. A further problem is that some households are refusing to hand over their fields to the project.

Machango complained that some of these citizens have never used or developed the land covered by these documents. He said that under normal conditions the DUATs should have been revoked because the land was not used or developed within five years, as demanded by the law.

The local traditional leader (regulo) Eduardo Santaka stated that the delay in handing over the land to the project was due to the government and the investors agreeing that the land should be disbursed in a phased manner.

"The government has to know who has handed over the land and what the benefits are to the community, district, province and country in general. We see that this company is responsible. The land will be dispensed in a phased manner", promised Santaka.

According to Machango, the authorities are working to help the community to understand the need to welcome the project and hand over part of their land. In return they will benefit from the help that the company is promising to provide as part of its social responsibility.

Once fully operational the project will employ 400 workers.

## National seed plan approved

The Mozambican government on 28 June approved the National Programme for Strengthening Seed Supply.

The programme has been put together under the Agricultural Development Strategic Plan (PEDSA) which was adopted by the government in May. The seed programme has an overall budget of 1.5 billion meticaís (about \$52 million), part of which will be funded from the state budget.

Agriculture Minister Jose Pacheco told reporters at the end of a meeting of the Council of Ministers (Cabinet) that the programme aims to increase access to improved seed.

"Our objective is to increase the production of improved seed at national level, and to improve and expand the seed distribution network, particularly in the rural areas where most farming takes place", said Pacheco.

The minister stressed the need to increase the capacity to process seed, strengthen the seed production companies, and

guarantee an efficient and effective system for quality control.

He said that improved seeds are a national asset that should be preserved and protected because of their vital importance as a major production input. However, he stressed that this should not prevent making seed production a business.

"Currently the country produces six thousand tonnes of seed of which 50 per cent is maize seed, and 32 per cent is rice seed, and 18 per cent is for other crops", said the minister.

However, this is well below the needs of the country. Pacheco pointed out that currently only ten per cent of Mozambican farmers use improved seed. The result is low agricultural productivity.

The seed programme will begin during this agricultural season (2011/12) and extend into 2014/15 by when it is planned to produce 262,000 tonnes of seed per year.

To implement the programme two institutions must be strengthened - the state owned company Sementes de Mocambique (SEMOC - Seeds of Mozambique), and the Mozambique Grain Institute (ICM).

"SEMOC needs to be restructured through a public-private partnership so that it can meet the needs of development. The Mozambique Grain Institute also has to be changed, because we cannot run the risk of our farmers increasing productivity and their output without guaranteeing a market for their surplus", concluded the minister.

In other words, the ICM will revert to playing the role of buyer of last resort, promising to purchase all grain that private traders fail to buy.

During the Cabinet meeting the ministers reviewed the implementation of the Multisectoral Action Plan for the Reduction of Chronic Malnutrition, which was approved last year.

A recent UNICEF report "Child Poverty and Disparities in Mozambique 2010" warned that chronic malnutrition affects 44 per cent of children under five years of age.

## Funds available for north-south highway

The Mozambican government and the World Bank signed an agreement in Maputo on 1 July for a loan of \$41 million to cover the deficit on the rehabilitation of three stretches of the country's main north-south highway.

The agreement was signed by Minister of Planning and Development Aiuba Cuereneia and the Resident Representative of the World Bank, Lawrence Clark. The money comes from the soft loans arm of the World Bank group, the International Development Association (IDA).

The three stretches concerned are between the neighbourhoods of Benfica and Jardim, in Maputo city, right at the start of the highway, between Xai-Xai and Chissibuca in Gaza province, and between Massinga and Nhachengue in Inhambane.

In 2007 the IDA provided a credit of \$100 million to the government for road rehabilitation and institutional support under the Integrated Road Sector Programme 2007-2009.

However, during implementation of the programme it was found that the sum allocated was insufficient due to the rising prices of building materials. So there was a large deficit making it impossible to conclude the three stretches of the highway.

The additional funding now agreed should make complete rehabilitation and modernization possible, as well as financing technical assistance, consultancies and studies for the road sector.

## Vale increases Moatize coal target

The Brazilian mining company Vale has announced that it intends to produce 1.5 million tonnes of coal this year from its open cast mine at Moatize, in the western Mozambican province of Tete.

This is a 75 per cent increase on its previous estimate of 850,000 tonnes for the year. The company plans to increase output to 6.3 million tonnes in 2012.

Vale had hoped to begin exporting coal in July, but delays in rebuilding the Sena railway line from Moatize to the port in Beira have meant that the company has postponed launching exports until October.

Production in the first phase will increase to 11 million tonnes per year, of which three quarters will be coking coal. Output will then double to 22 million tonnes per year during the second phase beginning in 2014.

The company's investment in Mozambique is huge - this year it will invest \$422 million in the Moatize project.

There are now 36 mining companies operating in Moatize district, and they are all facing a nightmare in getting their coal to the coast for export.

Even when the Sena railway line is running it will only have the capacity to transport six million tonnes of coal per year. A further upgrade could increase this to 12 million tonnes per year. Yet coal output from the Zambezi coal basin could by then be running at over 80 million tonnes per year.

Vale is considering funding a 900 kilometre railway line from the mine to the port of Nacala. The line would take five years to complete, and would cost (including the upgrading of the port) about \$4 billion.

### *Beacon Hill ready to send coal to Beira*

Meanwhile, the British company Beacon Hill Resources on Wednesday announced that it has begun to produce export grade coking coal from its open cast mine at Moatize.

It plans to start trucking coal to the port at Beira in July. The coal will be stockpiled at Beira pending the first export shipment.

In a statement to the Beacon Hill Annual General Meeting, the company's Chairperson, Justin Lewis, said "we are delighted to announce the commencement of operations at Minas de Moatize with production of its first washed export grade coal. This is another significant milestone for the development of the Minas de Moatize coal mine, which, has been achieved in less than a year since we acquired the mine".

Minas de Moatize initially consisted of an underground mine, which has been producing small amounts of coal for domestic use, and for export to neighbouring countries, such as Malawi.

But since taking ownership of Minas de Moatize, Beacon Hill has switched the focus to open cast mining. It is developing a large open cast mine that will produce 2.35 million tonnes of coal per year, of which 0.9 million tonnes will be in the form of the more valuable coking coal. The company will start by mining 15,000 tonnes of coal per month.

The company has a temporary processing unit to wash and grade the coal, and will process a stockpile of 39,000 tonnes from its underground mine to test the unit and the logistics of getting the coal to market.

Although it will begin moving coal to Beira by road, the company intends to use the Sena railway line from Moatize to Beira to shift 1.8 million tonnes of coal per year. The company states that "the operators of the Sena railway line

remain confident of being able to transport initial volumes of Minas Moatize coal in the second half of this year".

Rio Tinto's mine at Benga, run by its subsidiary Riversdale, will also soon be operational, producing 10 million tonnes of coal a year. In addition, Riversdale's mine in the adjacent Zambeze concession area will in late 2014 begin producing up to 25 million tonnes a year. A third Riversdale area, Tete East, could contribute a further 10 million tonnes.

Other mining companies are also sitting on large reserves. The British company Ncondezi hopes to export ten million tonnes per year beginning in the second half of 2014.

Mining in the Zambezi coal basin has so far created 10,811 jobs, according to the Moatize district administrator, Manuel Guimaraes.

## New hospital for Nampula

Work on building a new reference hospital in the northern province of Nampula is due to begin in November, under an agreement signed in the southern city of Matola on 23 November.

The hospital will belong to the Ministry of Health and the charitable institution "Our Children Our Future" (INCF). Funding for the new hospital, budgeted at €123 million (about \$175 million) will be mobilised by the South African based group BluPearl investments.

These three bodies signed the agreement to build a modern hospital in Nampula, which will benefit an estimated population of six million people living in the provinces of Nampula, Zambezia, Niassa and Cabo Delgado. It will also operate as a teaching hospital for students from the country's medical faculties.

Speaking at the ceremony, Health Minister Alexandre Manguela said this would be a hospital of "high quality and state of the art technology". It would reduce the need, still felt by many Mozambicans, to seek medical treatment outside the country.

A source in the office of the First Lady, Maria de Luz Guebuza, who is the patron of the INCF, said funding for the construction would not take the form of either a loan or a grant. "Payment will be by means of joint management of the investors for 15 years, after which the hospital will pass into the ownership of the INCF and the Ministry", said the source.

The managing director of BluPearl, Jason Pedersen, told AIM that Mozambique is one of the key countries for the investment of this group, which also has interests in agriculture and mining.

Pedersen guaranteed that work on the hospital will begin in November and it will take two years to complete.

## DNO International abandoning oil exploration

The Norwegian group Det Norske Olse-Selskap (DNO International) is abandoning oil and gas exploration in the Inhaminga block, in the central Mozambican province of Sofala.

According to a source in the Mozambican National Hydrocarbon Company (ENH), DNO is giving up because none of the four wells it drilled turned up any finds of hydrocarbons in commercially viable amounts.

DNO-International invested about \$30 million in the exploration. The drilling found some natural gas, but not in significant quantities.

The Inhaminga block is onshore and covers a vast area of Sofala, including the districts of Cheringoma, Caia, Gorongosa and Maringue.

## Policemen detained for extortion and theft

A dozen policemen in Maputo City have been detained in connection with various crimes, including theft and extortion, the spokesperson for the General Command of the Mozambican police, Pedro Cossa, told reporters on 28 June.

The 12 were detained in connection with five crimes that occurred over the previous weekend. The detentions, he said, were part of a drive "to purify the ranks of the force".

Six of the policemen were arrested for robbing a South African tourist. "They threatened the citizen with a firearm and took 4,000 rands from his wallet", said Cossa. "Then they forced him to go to an ATM and withdraw 8,000 meticaís (about \$275)".

The thieves were so sure of themselves that they did not bother to hide their identity. They wore their police uniforms while they robbed the South African tourist. He went to a police station, lodged a complaint, and the six policemen were soon identified and detained.

A second case concerned two policemen who recovered goods stolen during a robbery, and instead of handing them over to be returned to their rightful owners, kept them for themselves.

The third case mentioned by Cossa concerned traffic policemen who seized four cell phones from youths involved in a traffic accident. "They stole the cell phones and then made returning them conditional on the youths paying 5,000 meticaís", he said.

Cossa said "police thieves" would be expelled and face criminal proceedings.

"We are purifying our ranks, and not only in Maputo", he added. "In all provinces we have instructed the provincial commands to control the behaviour of our agents, and to take the appropriate punitive measures. We want to free ourselves of all those who damage the good name of the Mozambican police".

Cossa urged all citizens to collaborate with this effort, by denouncing to the authorities all policemen involved in illicit activities.

## Government to build five thousand houses in Matola

The Mozambican government is to finance the construction of five thousand houses in Intaka, a suburb of the city of Matola, in Maputo province. The new suburb will cover an area of 300 hectares.

The project is due to commence in September. Finance for the project was recently approved by the government as part of its policy of constructing 100,000 houses by 2014.

The project at Intaka was formalised on 1 July with the signing of a memorandum of understanding between chairperson of the government's Housing Promotion Fund (FFH), Rui Costa, and the Mayor of Matola, Arao Nhacale.

The project includes the construction of the entire social infrastructure needed for the life of a town, such as hospitals, schools, markets, roads, and water and sanitation.

The government's plans for building 100,000 homes by 2014 focus on providing housing for young people, public officials and veterans of the armed forces.

## Gas powered buses arrive in Maputo

Maputo's publicly owned bus company TPM has received the first consignment of buses from India that run on compressed natural gas.

150 of these buses have been ordered, and so far 32 have arrived. A further 18 are expected this week.

According to the interim chairperson of the TPM board, Silvestre Constantino, cited in the Maputo daily "Noticias", 50 more buses will arrive in July and the final 50 in August.

The buses that have already arrived, manufactured by the Indian company Tata, are currently in Maputo port, awaiting customs clearance. They will then be given number plates and insurance so that they can start operating on the TPM routes.

Constantino said the buses will operate on routes where there is a serious shortage of public transport – including between Maputo and the adjoining city of Matola, as well as to the districts of Boane and Marracuene.

He warned that even 150 new buses will not end the transport crisis in the Maputo metropolitan area, though they would certainly cut waiting times at the bus stops and terminals.

Currently TPM is operating with less than 100 buses to cover the company's 56 routes. Constantino estimates that TPM needs a minimum of 280 buses on the streets.

The gas-powered buses were purchased under a credit system financed by the government's Transport and Communications Fund (FTC). It is expected that the use of natural gas, a Mozambican resource, will greatly reduce TPM's expenditure on imported liquid fuels.

To guarantee maintenance of the buses, TPM has sent engineers and mechanics for training in India. TPM has also recruited 300 new bus drivers and the same number of fare collectors.

The buses can refuel with compressed natural gas at the TPM premises in central Maputo, and at a supply post near the MOZAL aluminium smelter on the outskirts of the city.

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*This is a condensed version of the AIM daily news service – for details contact [aim@aim.org.mz](mailto:aim@aim.org.mz)*

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