



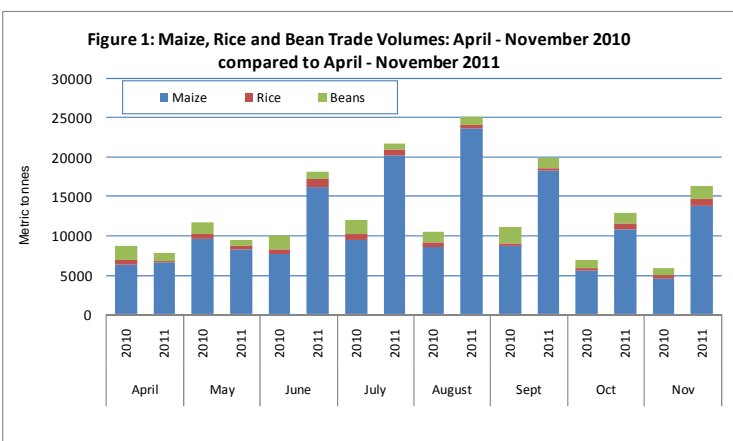
Informal Cross Border Food Trade in Southern Africa

Issue 76

November 2011

Summary

- The volume of informally traded commodities went up in November following a significant drop in October. Traded volume of 16,367 MT was up 27 percent from October levels; but compared to the same month last year; trade increased almost twofold. The largest increase for the month (28 percent) was observed in maize trade most of which was flows between Malawi and Mozambique.
- The direction of maize flows and the main drivers of this trade remain unchanged and include the existence of large surpluses in Zambia and Malawi; and the existence of export markets in East Africa and Zimbabwe.
- Rising demand has led to sustained increases in nominal maize grain prices in most trading centers close to monitored border posts. The exception was at the Nakonde border in Tanzania where the price dropped by 8 percent. Elsewhere maize prices between October and November increased by margins ranging from 3 to 12 percent.



While the overall total traded commodity volume for October declined 35 percent between September and October, in November, trade rose by 27 percent with increases recorded for all commodities (maize, rice and beans). Malawi - which has been the main exporter this season saw its exports rise 32 percent. Most of these exports are destined

for Zimbabwe and Kenya markets. Tanzania exports to Zambia almost tripled - driven mainly by the favorable price differential. The observed trends in volumes of informally traded maize are largely the result of robust trader activity in light of existing surpluses, favorable prices, and ready export markets. Trade in maize remains by far the most significant making up 84 percent of total volumes captured.

Informally traded volumes of rice and beans increased by 11 and 31 percent respectively between October and November. The upward trend in rice trade is likely to continue until the next harvest as households begin substituting rice for maize for which prices have started rising as supplies increasingly become tighter as the lean season progresses. Bean trade on the other hand is mainly driven by on farm and local market availability.

Table 1: Summary of 2011/12 informal Trade Flows (MT)

	April 2011	May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	November 2011	Cumulative Total
Maize (Incl. maize)	6,538	8,272	16,271	20,184	23,754	18,277	10,798	13,776	117,870
Maize meal (only)	474	595	546	380	727	467	406	763	4,5358
Rice	282	358	1,043	791	446	385	770	852	4,927
Beans	947	824	911	803	1,026	1,302	1,324	1,739	8,876

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A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative, with funding from USAID, has prepared this report based on data collected by a network of border monitors based at selected border points. The border monitors record data on a daily basis, and transmit it to a central location for collation and analysis. Currently, the informal cross border trade monitoring system includes 29 borders, with new borders are added as necessary. The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA) has since March 2011, been collaborating with WFP and FEWS NET on this initiative. Please address comments/suggestions to the following e-mail addresses: pmdlada@few.net; itarakidzwa@few.net; or joao.manja@wfp.org;



Summary of Maize trade flows

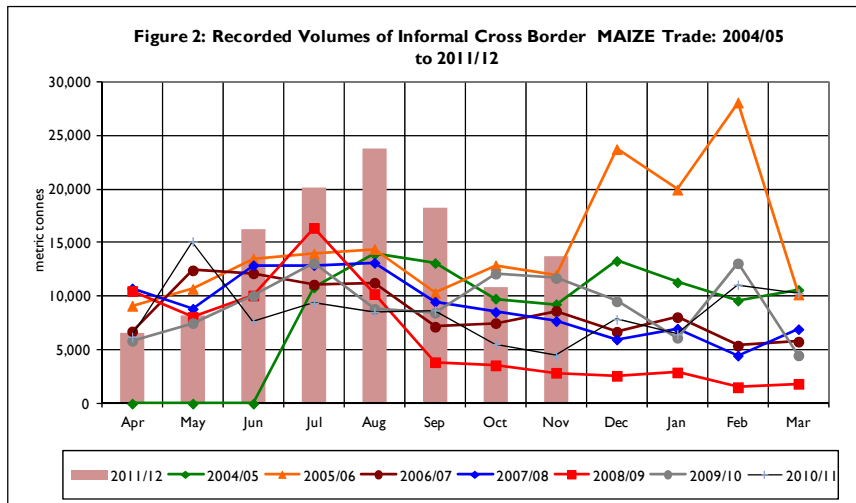
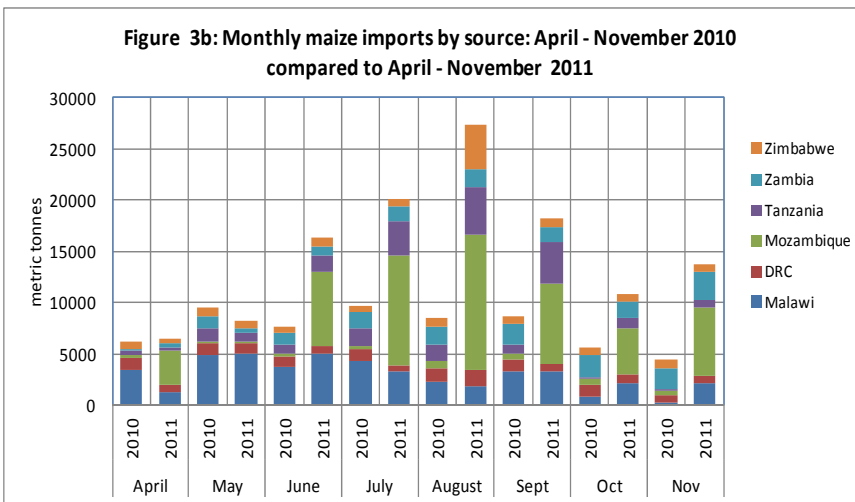
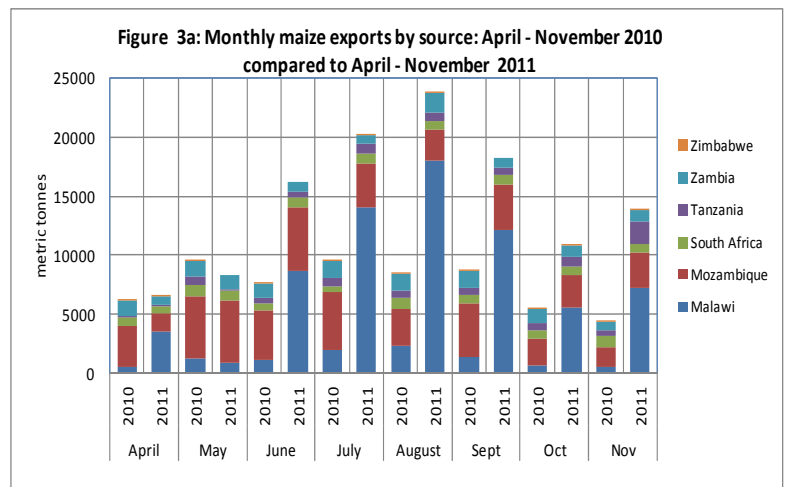


Figure 2 shows trends in volumes of informal maize trade (includes maize meal converted to grain equivalents) among the monitored countries while Figure 3 (a and b) shows the trade flows by source and destination. Total maize trade increased in November following a slump in October. Although traded volumes normally start declining around October, it is not clear why volumes fell significantly last month; but the trend is expected to remain stable (mostly upward) reflecting rising demand as the lean season progresses and the ready availability of maize stocks.

Significant trade flows (ranked by volume and direction) were again recorded along the Malawi/Mozambique, Mozambique/ Malawi, Tanzania/Zambia, Mozambique/Zambia, Zambia/DRC, South Africa/ Zimbabwe, and the Malawi/Tanzania borders. The main factors influencing informal maize trade flows remain: (i) the existence of large surpluses in Zambia and Malawi; (ii) ready markets in East Africa and Zimbabwe, and (iii) the lifting of the maize export ban in Malawi.

Exports: Figure 3a shows Malawi and Mozambique as the main suppliers of maize to neighboring States. The final destination of Malawi's exports into Mozambique is Zimbabwe while those into Tanzania are headed for Kenya. Malawi continued to top the list of exporters with a share of 53 percent followed by Mozambique (21 percent) and Tanzania (14 percent). Zambia and South Africa had the least shares of total exports at 6 and 5 percent respectively.



Imports: Since June 2011, flows into and through Mozambique remain the largest (Figure 3b). The bulk of these flows are in transit to Zimbabwe. The November data shows Mozambique with the highest (49 percent) share of total maize imports followed by Zambia and Malawi at 20 and 15 percent respectively. Zimbabwe, DRC, and Tanzania had the least shares of total imports at 5 percent each.

Table 2: Informal cross border MAIZE trade by source and destination country (MT)

Source	Destination	Total 05/06 season	Total 06/07 season	Total 07/08 season	Total 08/09 season	Total 09/10 Season	Total 10/11 Season	Nov 2010	Nov 2011	Cumulative April—Nov 2010	Cumulative April—Nov 2011
Malawi	Mozambique	133	591	3,755	203	6,124	27,209	416	6,661	2,976	53,337
Malawi	DRC	0	0	300	0	0	0	0	0	0	0
Malawi	Tanzania	944	2,928	1,581	239	6,031	7,073	101	627	6,746	16,103
Malawi	Zambia	81	202	1,779	129	315	444	76	14	333	877
Malawi	Zimbabwe	0	0	306	0	0	0	0	0	0	0
Mozambique	Malawi	71,218	77,394	56,078	54,223	60,399	23,557	297	2,107	22,337	23,891
Mozambique	Zambia	49	1,269	2,113	865	4,462	8,341	1,400	848	6,994	4,089
Mozambique	Zimbabwe	5	2,085	11	178	1,761	55	0	1	52	5
South Africa	Zimbabwe	1,688	49	47	2,663	1,135	9,430	904	711	6,027	5,932
Tanzania	Malawi	84,862	1,888	1,073	2,910	89	261	0	0	14	27
Tanzania	Zambia	13,556	6,260	4,980	2,449	3,730	5,034	489	1,948	4,355	5,717
Zambia	DRC	4,682	9,481	33,424	4,589	9,861	12,754	657	738	8,937	6,986
Zambia	Malawi	419	378	2,500	5,388	546	515	0	0	515	0
Zambia	Mozambique	55	2	0	60	130	583	58	49	381	467
Zambia	Tanzania	0	7	4	15	257	307	23	71	237	414
Zambia	Zimbabwe	182	299	433	350	28,493	0	0	0	0	0
Zimbabwe	Mozambique	85	294	129	2	8	10	1	0	8	0
Zimbabwe	Zambia	0	0	166	207	345	508	34	0	453	24
Total Traded (MT)		177,959	103,127	108,679	74,470	123,685	96,081	4,458	13,776	60,365	117,869

Note: Volumes of maize meal trade are estimated in grain equivalent and added to the volumes of informally traded maize as presented in Table 2 above

Table 3: Informal MAIZE MEAL trade flows by source and destination (MT)

Source	Destination	Total 09/10 season	Total 10/11 season	April 2011	May 2011	June 2011	July 2011	August 2011	Sept 2011	Oct 2011	Nov 2011	Cumulative April to Oct 2011
Malawi	Mozambique	91	383	25	24	34	8	309	32	25	32	490
Mozambique	Zimbabwe	25	51	0	0	0	0	1	0	0	0	1
Mozambique	Malawi	0	540	180	210	120	0	0	0	0	240	750
South Africa	Zimbabwe	904	5,327	145	243	260	229	245	310	242	362	2,036
Tanzania	Zambia	104	545	9	10	10	9	9	7	8	8	70
Zambia	DRC	1,895	1,446	111	106	117	133	160	114	128	117	986
Zambia	Mozambique	11	63	0	0	0	0	0	0	0	0	0
Zambia	Tanzania	24	37	4	2	5	2	2	3	3	3	24
Zambia	Zimbabwe	9,200	0	0	0	0	0	0	0	0	0	0
Zimbabwe	Zambia	0	0	0	0	0	0	0	0	0	0	0
Total Traded (MT)		12,254	8,392	474	595	546	381	726	466	406	762	4,357

South Africa - which is the main exporter of maize meal (all of which is to Zimbabwe) saw its volumes drop from 3,419 MT last year to 2,036 MT. However flows into Zimbabwe are expected to increase as the lean season progresses (Table 3).

Also notable is the cumulative total of informal maize meal exports from Malawi to Mozambique which rose from 191 MT recorded last year to 490 MT. This reflects this year's increased maize trade activity in Malawi.

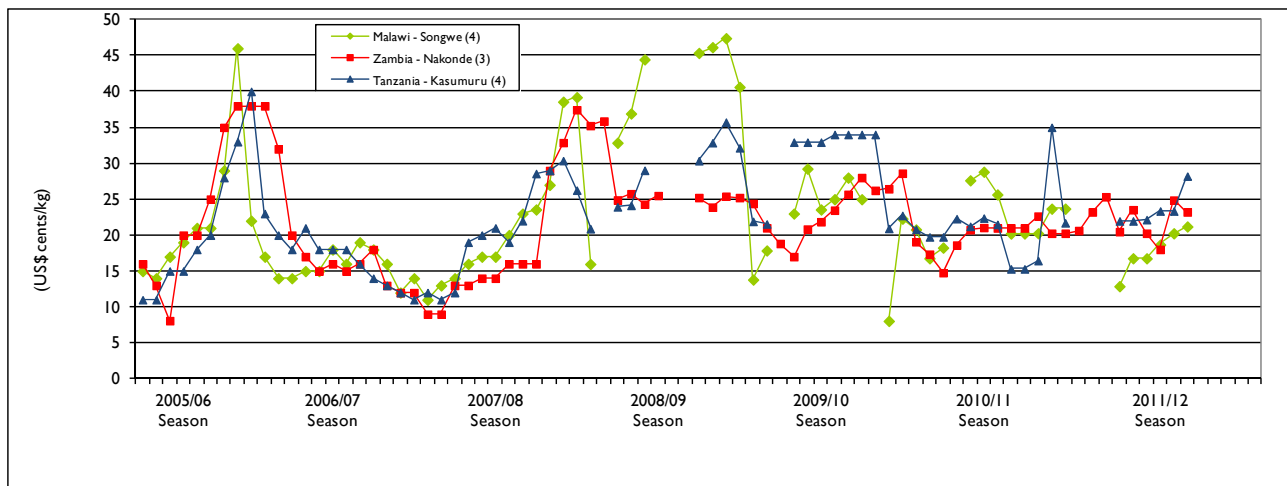
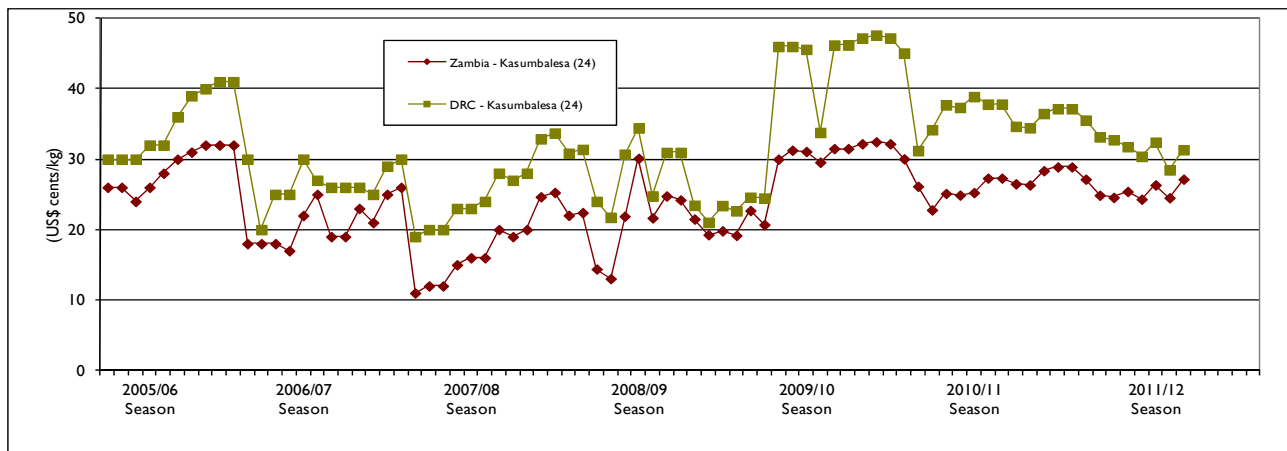
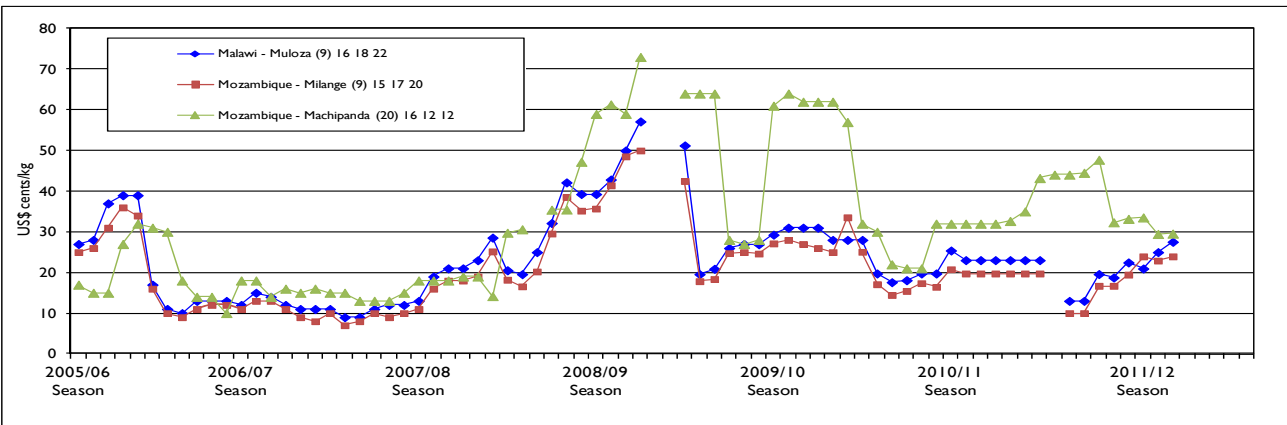
Nominal maize grain prices at source and destination points:

Figures 4 a to c (page 4) present monthly nominal maize grain prices (in USD equivalent) for selected border points, while Table 4 shows the monthly percentage changes for the current marketing year as well as the year on year changes for the period ending November 2011. Price trends in most trading centers along monitored border areas show a general increase between October and November ranging between 3 percent (Machipanda/ Mozambique) and 12 percent (Muloza/ Malawi). The only exception was at the Nakonde/ Tanzania border where a drop of 8 percent was recorded. Year on year price changes continue to show varied trends: some markets show higher price levels, while others are down from last year. Price increases were observed at Muloza in Malawi (22 percent), Milanje in Mozambique (20 percent), and Nakonde in Tanzania (10 percent). The increase recorded in Muloza (and Milanje) is in line with rising maize prices in southern Malawi in response to increased demand and rising transport costs. Elsewhere prices still remain below last year's levels confirming ready availability of the commodity.

Table 4: Percent change in nominal maize grain prices at source/ destination points (USD cents/kg)

Price at Source (S) and Destination (D)	% change Mar to Apr 2011	% change Apr to May 2011	% change May to June 2011	% change June to July 2011	% change July to August 2011	Maize Price Oct 2011 (cents/ kg)	Maize Price Nov 2011 (cents/ kg)	% change Oct to Nov 2011	Maize Price Nov 2010 (cents/ kg)	Maize Price Nov 2011 (cents/kg)	% change Nov 2010 to Nov 2011
Mal/Moz: Muloza (D)	-	0	51	-5	18	25	28	12	23	28	22
Moz/Mal: Milanje (S)	-	0	67	0	14	23	24	4	20	24	20
Moz/Zim:- Machipanda (S)	0	1	6	-33	4	29	30	3	32	30	-6
Zam/DRC: Kasumbalesa (S)	-6	-8	-2	0	-3	25	27	8	27	27	0
DRC/Zam: Kasumbalesa (D)	-4	-7	-1	-3	-5	28	31	11	35	31	-11
Tan/Zam: Nakonde (S)	13	9	-18	20	-16	25	23.	-8	21	23.	10

Figures 4a-4c: Retail MAIZE prices in selected border points (USD cents/ kg)



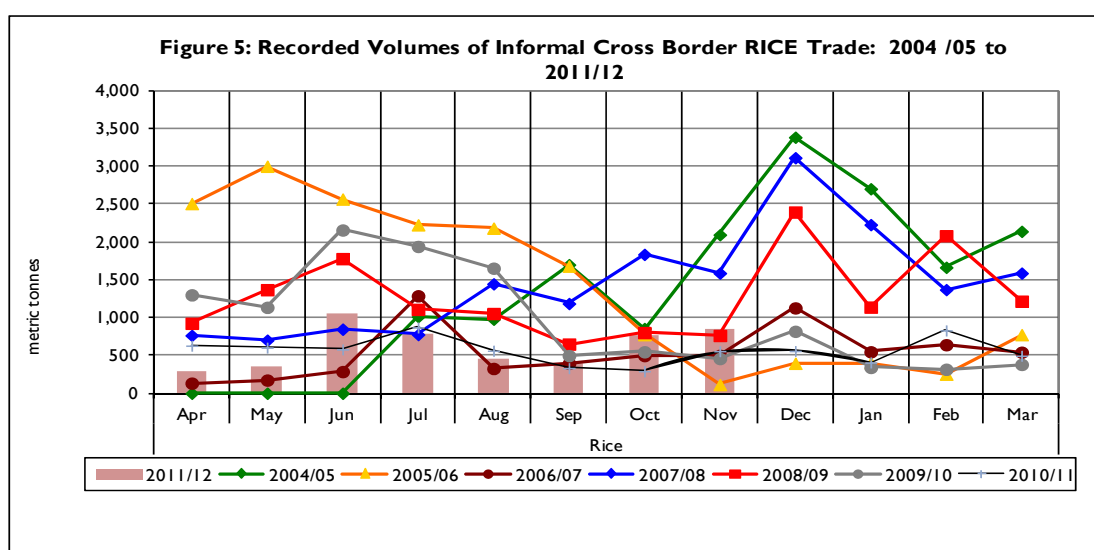
Summary of Rice trade flows

Table 5. Informal cross border RICE trade by source and destination country (MT)

Source	Destination	Total 05/06 season	Total 06/07 season	Total 07/08 season	Total 08/09 season	Total 09/10 Season	Total 10/11 Season	Nov 2010	Nov 2011	Cumulative April—Nov 2010	Cumulative April—Nov 2011
Malawi	Mozambique	12	1	822	58	518	921	215	470	416	1,225
Malawi	Tanzania	135	1,217	1,568	291	1,909	403	0	23	403	892
Malawi	Zambia	31	74	2,360	990	2,607	201	14	0	162	0
Malawi	Zimbabwe	0	0	405	0	630	0	0	0	0	0
Moz	Malawi	1,691	1,718	444	690	588	250	0	0	241	376
Moz	Zambia				3	4	15	1	2	6	18
Moz	Zimbabwe	399	850	1,028	1,958	276	148	8	8	103	96
RSA	Zimbabwe	64	82	33	25	215	1,254	73	125	548	538
Tanzania	Malawi	912	4	100	154	0	320	0	0	320	0
Tanzania	Zambia	641	557	397	374	549	753	70	123	502	766
Zambia	DRC	12,629	1,697	6,746	9,333	3,660	1,839	112	73	1,306	837
Zambia	Malawi	0	0	30	0	7	0	0	0	0	0
Zambia	Tanzania	0	0	3	6	9	10	2	1	7	7
Zambia	Zimbabwe	106	803	3,312	1,387	568	595	60	26	407	172
Zimbabwe	Zambia	0	0	185	0	0	0	0	0	0	0
Total Traded (MT)		16,620	7,003	17,434	15,268	11,541	6,708	556	852	4,419	4,926

Table 5 and Figure 5 summarize informal cross border rice trade trends. Although volumes of traded rice still remain low, they have started rising seasonably as some households begin to supplement maize consumption with rice. In November, volumes of informally traded rice increased by 11 percent from 770 MT captured in October to 852 MT. This upward trend in informal trade volumes of rice is expected to continue as supplies of maize grain become tighter especially on local markets. This year's informally traded rice volumes for the month of November and the cumulative (April to November) volume exceed the volumes captured last year (Table 5). Malawi is the major source of rice this season with a total share of 43 percent, followed by Zambia (21 percent), then Tanzania and Mozambique at 16 and 10 percent respectively. November trade flows (ranked in order of volumes) were notable between Malawi/Mozambique, Tanzania/ Zambia, and South Africa/Zimbabwe borders. Elsewhere rice continued to trade at very low volumes.

Trends in Volumes of Rice Traded by Month and Year



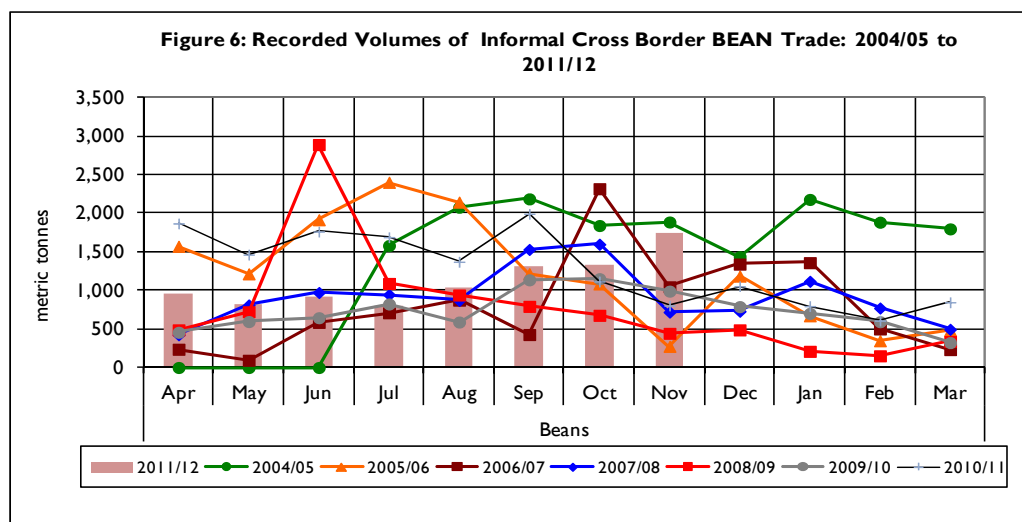
Summary of Bean trade flows

Table 6. Informal cross border BEAN trade by source and destination country (MT)

Source	Destination	Total 05/06 season	Total 06/07 season	Total 07/08 season	Total 08/09 season	Total 09/10 Season	Total 10/11 Season	Nov 2010	Nov 2011	Cumulative April—Nov 2010	Cumulative April—Nov 2011
Malawi	Mozambique	76	269	149	19	328	12	0	188	12	189
Malawi	South Africa	0	0	270	0	0	0	0	0	0	0
Malawi	Tanzania	0	0	169	6	6	423	0	0	385	0
Malawi	Zambia	19	268	338	124	52	91	12	6	68	61
Malawi	Zimbabwe	0	0	480	0	0	0	0	0	0	0
Mozambique	Malawi	2,741	2,798	2,375	3,045	2,619	6,950	371	369	6,153	2,363
Mozambique	Zambia				151	152	0	0	0	0	0
Mozambique	Zimbabwe	4	8	13	29	38	106	0	1	104	3
South Africa	Zimbabwe	325	83	11	6	17	255	4	10	159	96
Tanzania	Malawi	2,459	3,646	3,468	2,749	622	1,460	46	711	863	2,077
Tanzania	Zambia	472	588	1,058	946	1,099	1,775	102	271	1,219	1,978
Zambia	DRC	8,231	2,422	2,487	1,880	3,548	3,788	212	145	2,744	1,776
Zambia	Mozambique				0	90	188	24	15	144	108
Zambia	Tanzania	0	2	0	0	86	122	16	18	78	145
Zambia	Zimbabwe	16	69	170	280	143	209	17	6	145	81
Total Traded (MT)		14,343	10,153	10,988	9,236	8,800	15,380	804	1,739	12,075	8,876

Bean trade surged significantly (by 31 percent) in November rising from 1,324 MT in October to 1,739 MT. In general, bean trade has been stable since the marketing year began, rising steadily since July to reach the November peak of 1,739 MT. This is indicative of availability of tradable stocks as a result of last year's good harvests. In southern Africa, most rural households consume beans as the main source of protein. Compared to last year however, the cumulative April to November volume declined significantly from 12,075 MT captured same time last year to 8,876 MT (Table 6). Bean trade flows were significant along the Tanzania/Malawi, Mozambique/Malawi, Tanzania/Zambia, Malawi/Mozambique and the Zambia/DRC borders. Malawi is the major bean importer this marketing year with the highest share of total imports at 50 percent. Zambia and the DRC registered shares of 22 and 20 percent respectively while elsewhere bean trade remains low.

Trends in Volumes of Bean Traded by Month and Year



Annex 1: Trade Tables

Table 7 Informal Cross Border trade in Maize (MT)

Source	Destination	2005/06 Season	2006/07 Season	2007/08 Season	Apr-Jun 08	Jul-Sep 08	Oct-Dec 08	Jan-Mar 09	2008/09 Season	Apr-Jun 09	Jul-Sep 09	Oct-Dec 09	Jan-Mar 10	2009/10 Season	Apr-Jun 10	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	2010/11 Season
Tanzania	Zambia	13,556	6,260	4,980	477	1,167	628	177	2,449	490	1,891	1,348	374	4,103	1,388	1,891	1,235	520	5,034
Zambia	Zimbabwe	182	299	433	12	0	316	22	350	2	0	13,833	1,890	15,726	0	0	0	0	0
Zambia	Malawi	419	378	2,500	255	5,114	19	0	5,388	32	334	138	29	533	182	334	0	0	515
Zambia	Tanzania	-	7	4	4	3	1	7	15	26	81	95	87	288	106	81	68	52	307
Malawi	Zambia	81	202	1,779	94	1,167	15	17	1,293	58	114	0	138	311	111	114	125	93	444
Zambia	DRC	4,682	9,481	33,424	1,735	1,389	1,051	413	4,588	2,069	3,793	2,879	2,385	11,126	3,288	3,793	3,063	2,610	12,754
Mozambique	Malawi	71,218	77,394	56,078	25,604	20,936	5,519	2,164	54,223	19,938	9,333	11,154	8,713	49,137	11,887	9,333	1,423	914	23,557
Malawi	Tanzania	944	2,928	1,581	210	13	14	2	239	614	4,077	582	2,446	7,718	2,364	4,077	351	281	7,073
Tanzania	Malawi	84,862	1,888	1,888	50	577	713	0	2,910	0	0	13	76	89	14	0	85	162	261
Mozambique	Zimbabwe	5	2,085	11	8	90	66	15	178	9	51	0	1,750	1,810	1	51	3	0	55
Mozambique	Zambia	49	1,269	2,113	76	699	68	21	864	0	3,223	1,972	344	5,539	943	3,223	3,261	914	8,341
Malawi	Mozambique	133	591	3,755	67	65	35	36	203	111	1,510	1,097	4,427	7,144	556	1,510	5,386	19,758	27,209
Zambia	Mozambique	55	2	0	0	2	40	18	60	7	78	6	113	204	230	78	101	174	583
Zimbabwe	Mozambique	85	294	129	1	0	0	1	2	0	4	6	2	12	0	4	6	0	10
South Africa	Zimbabwe	1,688	49	47	13	272	552	1,82	2,663	54	2,159	91	817	3,122	2,277	2,159	2,66	2,334	9,430
Total Traded (MT)		177,959	103,127	108,679	28,606	31,494	9,037	6,288	75,426	23,410	26,647	33,215	23,590	106,862	23,347	26,647	17,767	27,812	95,574

Table 8: Informal Cross Border trade in Rice (MT)

Source	Destination	2005/06 Season	2006/07 Season	2007/08 Season	Apr-Jun 08	Jul-Sep 08	Oct-Dec 08	Jan-Mar 09	2008/09 Season	Apr-Jun 09	Jul-Sep 09	Oct-Dec 09	Jan-Mar 10	2009/10 Season	Apr-Jun 10	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	2010/11 Season
Tanzania	Zambia	641	557	397	119	116	77	312	625	138	140	189	82	549	179	192	193	189	753
Malawi	Tanzania	135	1,217	1,568	255	35	1	0	291	1027	577	297	8	1909	229	174	0	0	403
Tanzania	Malawi	912	4	100	128	15	11	0	154	0	0	0	0	0	0	320	0	0	320
Zambia	DRC	12,629	1,697	6,746	1,616	1,215	2,757	3,746	9,334	1991	506	838	326	3660	731	393	339	376	1839
Zambia	Malawi	0	0	30	0	0	0	0	0	0	0	0	7	7	0	0	0	0	0
Malawi	Zambia	31	74	2,360	930	60	0	0	990	171	2270	128	38	2607	62	79	60	0	201
Zambia	Zimbabwe	106	803	3,312	512	285	294	295	1,386	210	101	161	95	568	126	163	201	106	595
Mozambique	Malawi	1,691	1,718	444	152	510	26	2	690	270	193	102	23	588	226	15	0	9	250
Malawi	Mozambique	12	1	822	12	35	6	5	58	54	202	37	225	518	34	160	268	460	921
Mozambique	Zimbabwe	399	850	1,028	338	531	767	321	1,958	94	79	63	38	276	20	62	37	29	148
South Africa	Zimbabwe	64	82	33	7	5	12	2	25	4	16	3	193	215	198	202	301	553	1254
Total Traded (MT)		16,620	7,003	17,434	4,067	2,808	3,952	4,684	15,511	3959	4085	1818	1035	10898	1804	1761	1397	1722	6684

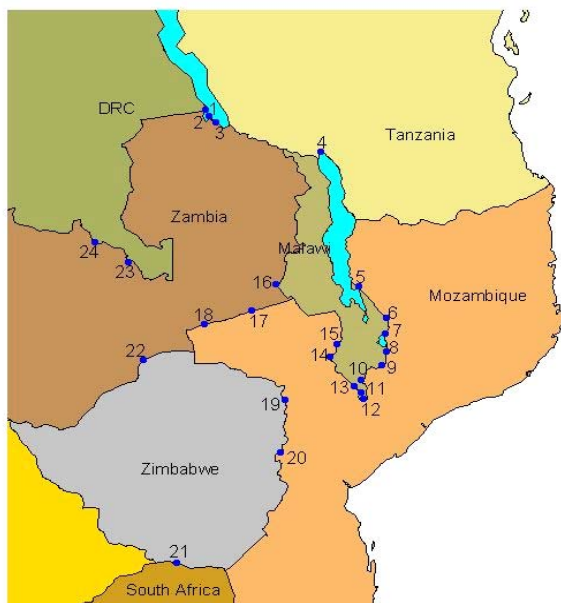
Annex 1 (continued)

Table 9: Informal cross border trade in beans (MT)

Source	Destination	2005/06 Season	2006/07 Season	2007/08 Season	Apr-Jun 08	Jul-Sep 08	Oct-Dec 08	Jan-Mar 09	2008/09 Season	Apr-Jun 09	Jul-Sep 09	Oct-Dec 09	Jan-Mar 10	2009/10 Season	Apr-Jun 10	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	2010/11 Season
Tanz	Zambia	472	588	1,058	383	336	141	86	946	298	305	342	154	1,099	641	342	397	396	1,775
Zambia	Tanz	0	2	0	0	0	0	0	0	16	34	18	18	86	34	26	27	36	122
Zambia	DRC	8,231	2,422	2,487	587	793	397	104	1,881	615	1,151	1,095	688	3,548	1,296	1,026	779	686	3,788
Malawi	Moz	76	269	149	2	15	2	0	19	153	164	2	9	328	2	3	7	0	12
Zambia	Zim	16	69	170	0	69	78	60	207	50	29	30	34	143	47	61	56	45	209
Moz	Malawi	2,741	2,798	2,375	1,931	0	295	95	2,321	432	754	979	454	2,619	2,452	2,681	1,273	544	6,950
Malawi	Tanz	0	0	169	0	6	0	0	6	0	0	6	0	6	122	262	0	38	423
Moz	Zim	4	8	13	2	6	19	2	29	1	35	1	1	38	1	102	3	1	106
Malawi	Zambia	19	268	338	46	54	18	6	124	20	16	5	11	52	25	25	27	15	91
Tan	Malawi	2,459	3,646	3,468	1,079	823	626	221	2,749	47	31	362	182	622	399	392	302	367	1,460
RSA	Zim	325	83	11	1	1	1	3	6	6	1	1	9	17	25	87	54	89	255
Total Traded (MT)		14,343	10,153	10,988	4,031	2,102	1,577	577	8,288	1,637	2,520	2,841	1,560	8,558	5,043	5,006	2,926	2,217	15,192

ACTESA -COMESA, Lusaka, Zambia; UN World Food Programme Regional Bureau for Southern Africa, Johannesburg South Africa and FEWS NET Regional Office, Pretoria South Africa

Cross - Border Monitoring Sites, 2007



NAME OF BORDER

- | | |
|----------------------|--------------------------|
| 1. Mulungu / Kigoma | 13. Marine |
| 2. Zombe / Kasesya | 14. Mkumaniza |
| 3. Nakonde / Tunduma | 15. Mwanza |
| 4. Songwe / Kasumuru | 16. Mchinji |
| 5. Kalanje | 17. Marowela |
| 6. Nayuchi | 18. Chadiza |
| 7. Naminkhakha | 19. Nyamapanda |
| 8. Kolowikho | 20. Machipanda |
| 9. Muloza | 21. Messina / Beitbridge |
| 10. Sankhulani | 22. Chirundu |
| 11. Tengani | 23. Mokambo |
| 12. Marka | 24. Kasumbalesa |

For more information
see: www.fews.net