



Informal Cross Border Food Trade in Southern Africa



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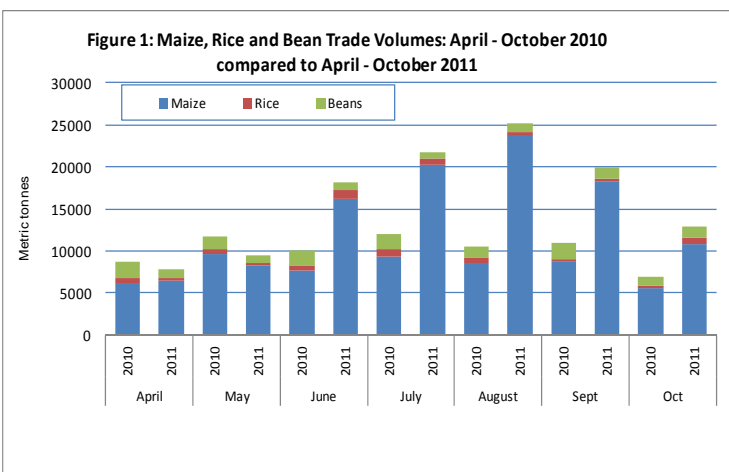
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A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative, with funding from USAID, has prepared this report based on data collected by a network of border monitors based at selected border points. The border monitors 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@fews.net; itarakidzwa@fews.net; or joao.manja@wfp.org;



Summary

- The October volume of maize trade declined 41 percent from September levels. Maize flows from Malawi into Tanzania and Mozambique dropped 76 and 42 percent respectively compared to September, while those from South Africa into Zimbabwe declined 21 percent.
- The direction of maize flows remains unchanged with the main factors influencing informal trade flows this season being: (i) existence of large surpluses in Zambia and Malawi; (ii) existence of export markets in East Africa and Zimbabwe, and (iii) the lifting of the maize export ban in Malawi.
- Rising demand has led to sustained increases in nominal maize grain prices in trading centers near the Muloza border in Malawi and Nakonde border in Tanzania. Elsewhere maize prices between September and October declined by margins ranging from 4 to 12 percent.



While the overall total traded commodity volume for October declined 35 percent compared to the previous month - the decrease was only in maize trade; rice and bean trade increased over this period. Malawi's maize exports through Tanzania and Mozambique dropped 76 and 42 percent respectively compared to September. These are exports destined for Kenya and Zimbabwe markets.

Similarly maize exports between South Africa and Zimbabwe declined 21 percent. These decreases are in line with normal seasonal patterns of informal trade flows as surplus food stocks become tighter and trader activity subsides.

Informally traded volumes of rice increased two-fold between September and October. This trend is likely to continue until next harvests as households switch to rice consumption as a substitute to maize for which supplies will increasingly become tighter as the lean season progresses. Informal bean trade also increased (though marginally) and remains stable at slightly over 1,000 MT per month since August.

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

	April 2011	May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	Cumulative Total
Maize (Incl. maize meal)	6,538	8,272	16,271	20,184	23,754	18,277	10,798	104,094
Maize meal (only)	474	595	546	380	727	467	406	3,595
Rice	282	358	1,043	791	446	385	770	4,075
Beans	947	824	911	803	1,026	1,302	1,324	7,137

Summary of Maize trade flows

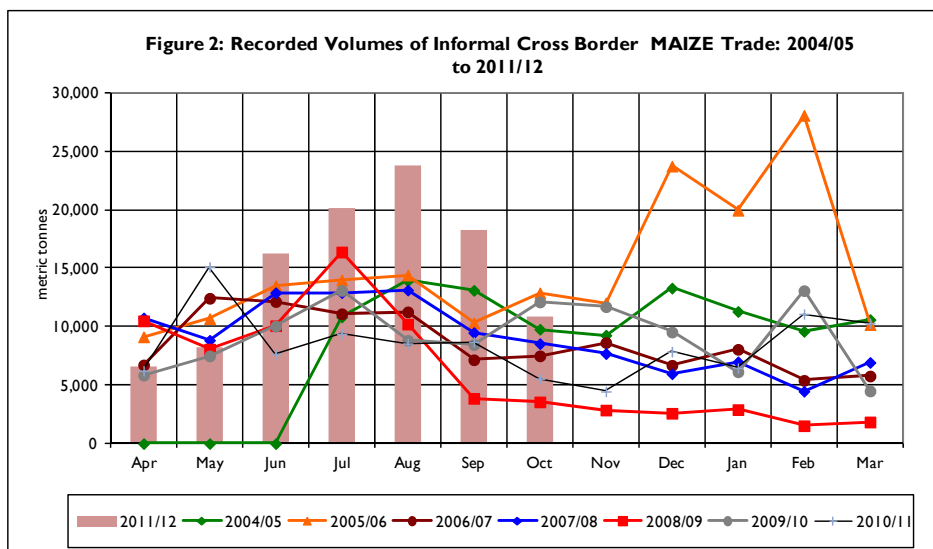
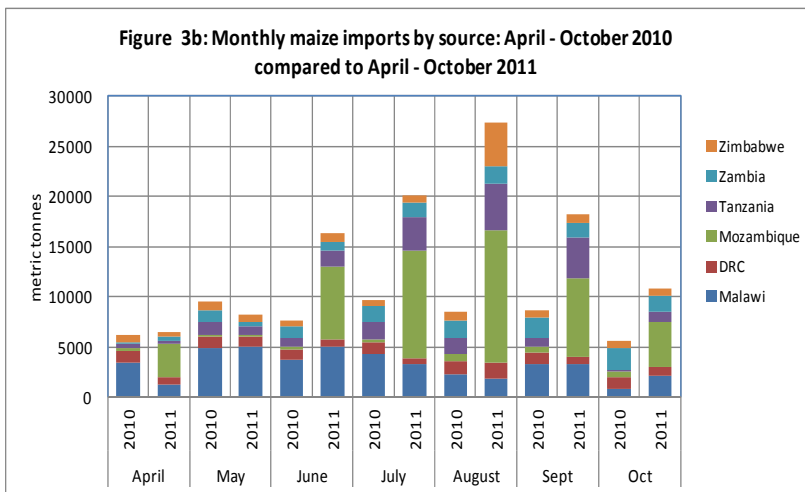
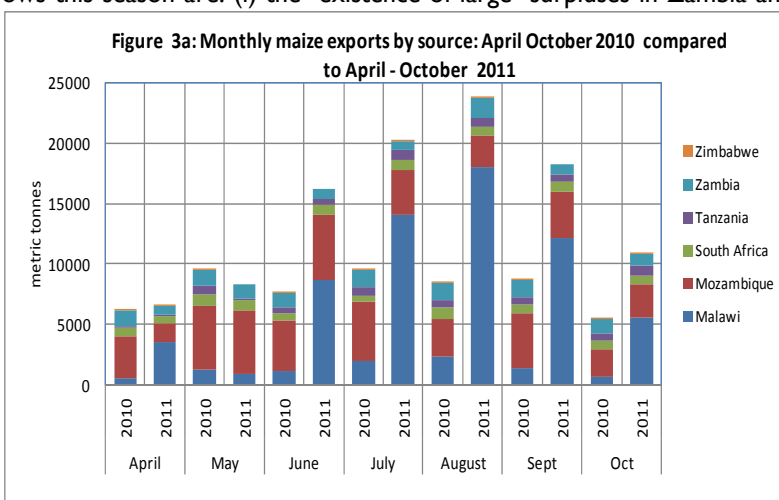


Figure 2 shows trends in volumes of informal maize trade (includes maize meal converted to grain equivalents) among the monitored countries while Figure 3 (a and b) shows the trade flows by source and destination. There seem to be a switch from a rising trend beginning in April to a peak in August then significant drops in traded volumes for September and October (Figure 2). October registered a drop in maize trade which is in line with seasonal patterns; but the 41 percent decline was quite drastic. This month, significant

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

Exports: Figure 3a shows Malawi and Mozambique being 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. Although the volumes recorded dropped significantly, Malawi still topped the list of exporters with a share of 61 percent followed by Mozambique (24 percent); Zambia (7 percent) and South Africa (5 percent). Tanzania came last with a 4 percent share of



total exports - a situation that is attributed to the export ban which has not yet been lifted.

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 October data shows Mozambique with the highest (45 percent) share of total maize imports followed by Malawi and Zambia at 21 and 15 percent respectively. Zimbabwe, DRC, and Tanzania had the least shares of total imports at 6, 8 and 9 percent respectively.

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	Oct 2010	Oct 2011	Cumulative April—Oct 2010	Cumulative April—Oct 2011
Malawi	Mozambique	133	591	3,755	203	6,124	27,209	495	4,523	2,560	46,676
Malawi	DRC	0	0	300	0	0	0	0.00	0	0	0
Malawi	Tanzania	944	2,928	1,581	239	6,031	7,073	203	934	6,644	15,476
Malawi	Zambia	81	202	1,779	129	315	444	31	75	257	863
Malawi	Zimbabwe	0	0	306	0	0	0	0.00	0	0	0
Mozambique	Malawi	71,218	77,394	56,078	54,223	60,399	23,557	820	2,088	22,040	21,784
Mozambique	Zambia	49	1,269	2,113	865	4,462	8,341	1427	754	5,594	3,241
Mozambique	Zimbabwe	5	2,085	11	178	1,761	55	1	0.29	52.33	3
South Africa	Zimbabwe	1,688	49	47	2,663	1,135	9,430	687	683	5,123	5,221
Tanzania	Malawi	84,862	1,888	1,073	2,910	89	261	0.00	0	14	27
Tanzania	Zambia	13,556	6,260	4,980	2,449	3,730	5,034	586	768	3,865	3,769
Zambia	DRC	4,682	9,481	33,424	4,589	9,861	12,754	1199	840	8,280	6,248
Zambia	Malawi	419	378	2,500	5,388	546	515	0.00	0	515	0
Zambia	Mozambique	55	2	0	60	130	583	16	65	323	418
Zambia	Tanzania	0	7	4	15	257	307	26	68	214	343
Zambia	Zimbabwe	182	299	433	350	28,493	0	0	0	0	0
Zimbabwe	Mozambique	85	294	129	2	8	10	4	0	7	0
Zimbabwe	Zambia	0	0	166	207	345	508	66	0	418	24
Total Traded (MT)		177,959	103,127	108,679	74,470	123,685	96,081	5561	10,798	55,907	104,093

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	Cumulative April to Oct 2011
Malawi	Mozambique	91	383	25	24	34	8	309	32	25	458
Mozambique	Zimbabwe	25	51	0	0	0	0	1	0	0	1
Mozambique	Malawi	0	540	180	210	120	0	0	0	0	510
South Africa	Zimbabwe	904	5,327	145	243	260	229	245	310	242	1,674
Tanzania	Zambia	104	545	9	10	10	9	9	7	8	62
Zambia	DRC	1,895	1,446	111	106	117	133	160	114	128	869
Zambia	Mozambique	11	63	0	0	0	0	0	0	0	0
Zambia	Tanzania	24	37	4	2	5	2	2	3	3	21
Zambia	Zimbabwe	9,200	0	0	0	0	0	0	0	0	0
Zimbabwe	Zambia	0	0	0	0	0	0	0	0	0	0
Total Traded (MT)		12,254	8,392	474	595	546	381	726	466	406	3,595

This year's cumulative April to October maize meal volume exported from Malawi to Mozambique amounted to 458 MT compared to the 136 MT recorded over the similar period last year. This is in line with increased maize trade activity in Malawi. South Africa - which is the main exporter of maize meal to Zimbabwe saw its volumes drop over this period from 3,198 MT last year to a mere 1,674 MT. Flows into Zimbabwe are expected to increase with the onset of the holiday season which coincides with the lean season peak (Table 3).

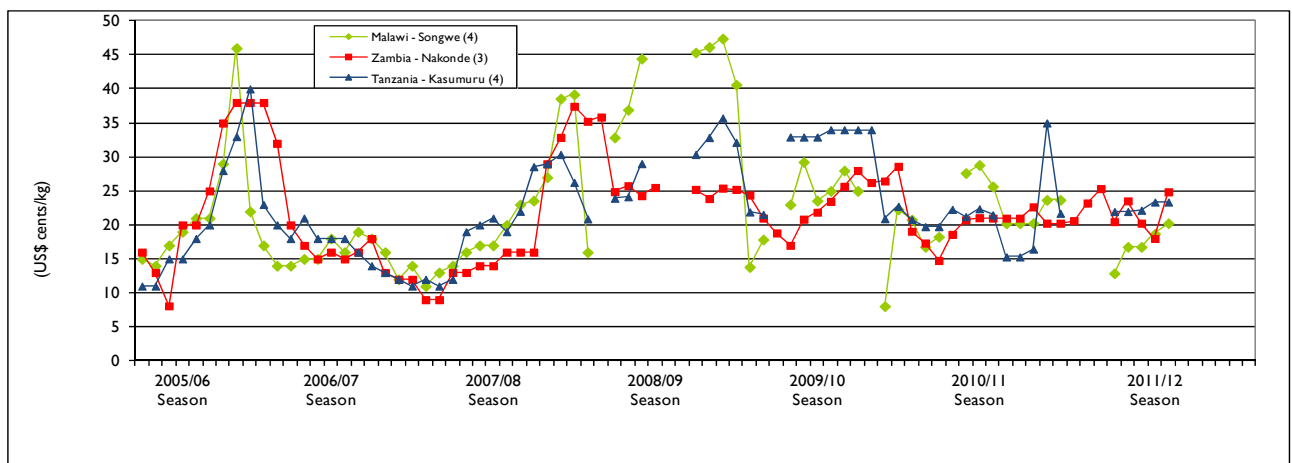
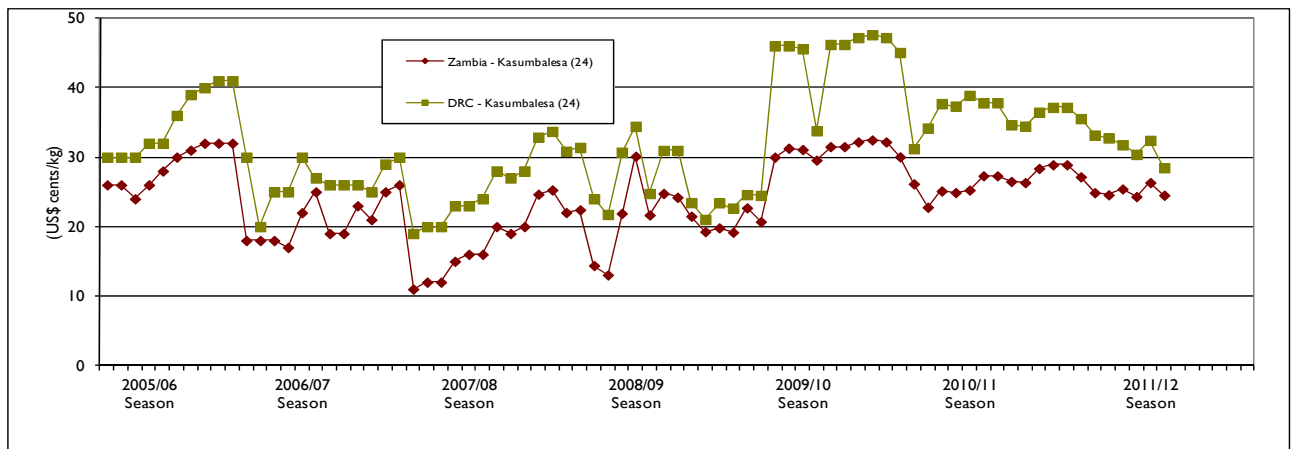
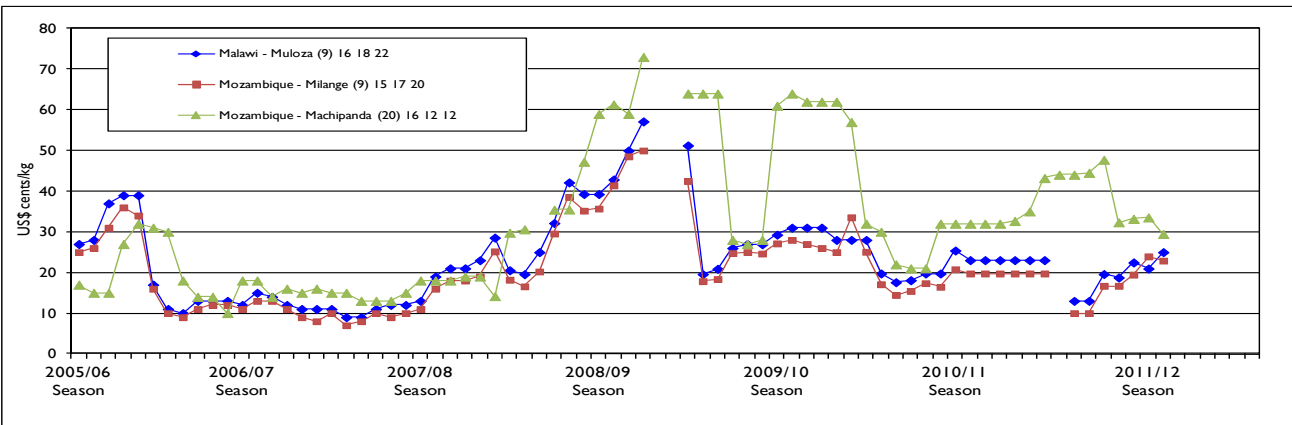
Nominal maize grain prices at source and destination points:

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 October 2011. The monthly price percentage changes between September and October show a significant 19 percent price increases at Muloza (Malawi) as well as a 28 percent increase at Nakonde (Tanzania) borders. Elsewhere (Table 4) maize prices declined by margins ranging from 4 to 12 percent confirming ready availability of maize in local markets. Year on year price changes continue to show varied trends: some markets show higher price levels, while others are down from last year. Modest price increases were observed at Muloza in Malawi (8 percent), Milanje in Mozambique (16 percent), and Nakonde in Tanzania (18 percent). Elsewhere prices still remain below last year's levels confirming 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 Sept 2011 (cents/ kg)	Maize Price Oct 2011 (cents/ kg)	% change Sep to Oct 2011	Maize Price Oct 2010 (cents/ kg)	Maize Price Oct 2011 (cents/kg)	% change Oct 2010 to Oct 2011
Mal/Moz: Muloza (D)	-	0	51	-5	18	21	25	19	23	25	9
Moz/Mal: Milanje (S)	-	0	67	0	14	24	23	-4	20	23	16
Moz/Zim:- Machipanda (S)	0	1	6	-33	4	34	29	-12	32	29	-8
Zam/DRC: Kasumbalesa (S)	-6	-8	-2	0	-3	26	25	-7	27	25	-10
DRC/Zam: Kasumbalesa (D)	-4	-7	-1	-3	-5	32	28	-12	38	28	-25
Tan/Zam: Nakonde (S)	13	9	-18	20	-16	18	25	38	21	25	18

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



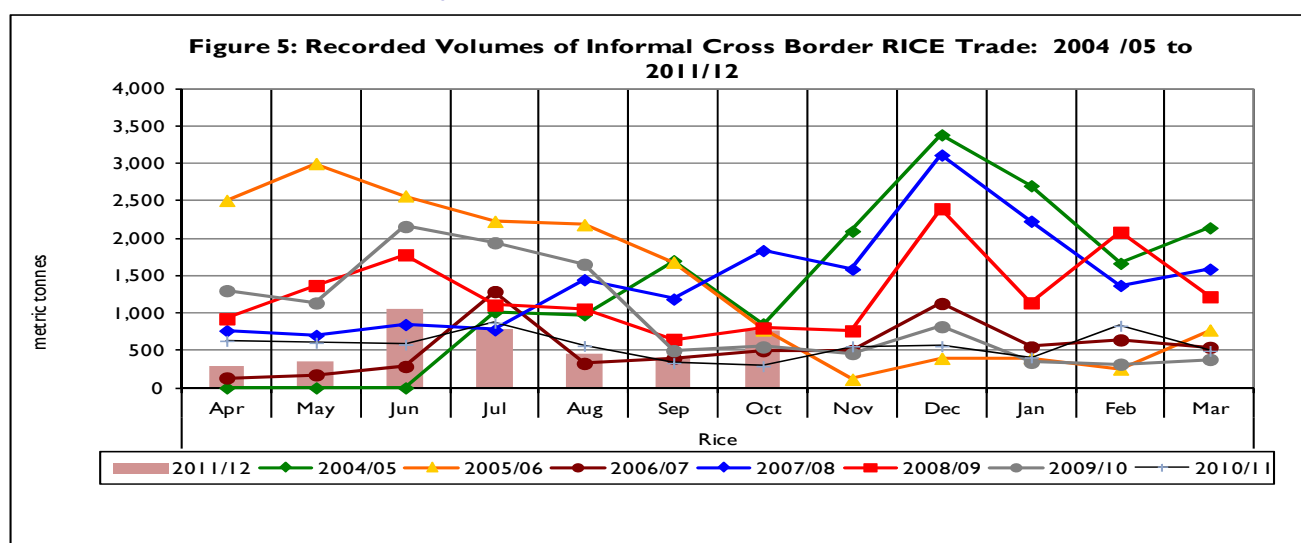
Summary of Rice trade flows

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	Oct 2010	Oct 2011	Cumulative April—Oct 2010	Cumulative April—Oct 2011
Malawi	Mozambique	12	1	822	58	518	921	7	470	201	754
Malawi	Tanzania	135	1,217	1,568	291	1,909	403	0	0	403	869
Malawi	Zambia	31	74	2,360	990	2,607	201	7	0	148	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	4	17
Moz	Zimbabwe	399	850	1,028	1,958	276	148	12	11	95	88
RSA	Zimbabwe	64	82	33	25	215	1,254	74	75	474	413
Tanzania	Malawi	912	4	100	154	0	320	0	0	320	0
Tanzania	Zambia	641	557	397	374	549	753	62	101	432	643
Zambia	DRC	12,629	1,697	6,746	9,333	3,660	1,839	69	94	1,193	764
Zambia	Malawi	0	0	30	0	7	0	0	0	0	0
Zambia	Tanzania	0	0	3	6	9	10	1	1	5	5
Zambia	Zimbabwe	106	803	3,312	1,387	568	595	58	17	346	146
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	291	770	3,863	4,075

Table 5 and Figure 5 summarize informal cross border rice trade trends. Although volumes of traded rice remain small, they have started rising seasonably as some households begin to supplement maize consumption with rice. In October, volumes of informally traded rice increased two-fold from 385 MT captured in September to 770 MT. This upward trend in informal trade volumes of rice is expected to continue as maize grain (for which rice serves as a substitute) becomes less accessible for an increasing number of households. This year's informally traded rice volumes for the month of October and the cumulative (April to October) volume exceed the volumes captured last year (Table 5). Trade flows (ranked in order of volumes) were notable between Mozambique/Malawi, Tanzania/ Zambia, and Zambia/ DRC borders. Elsewhere rice continued to trade at very low volumes.

Trends in Volumes of Rice Trade by Month and Year



Summary of Bean trade flows

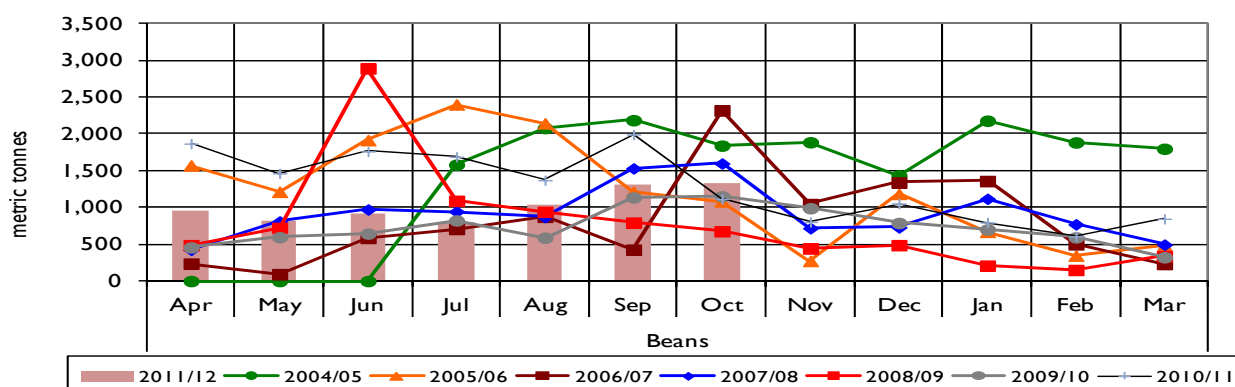
Table 6. Informal cross border BEAN trade by source and destination country (MT)

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	Oct 2010	Oct 2011	Cumulative April—Oct 2010	Cumulative April—Oct 2011
Malawi	Mozambique	76	269	149	19	328	12	7	0	12	1
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	7	15	56	55
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	649	397	5,781	1,994
Mozambique	Zambia				151	152	0	0	0	0	0
Mozambique	Zimbabwe	4	8	13	29	38	106	1	1	104	2
South Africa	Zimbabwe	325	83	11	6	17	255	43	16	155	86
Tanzania	Malawi	2,459	3,646	3,468	2,749	622	1,460	26	410	817	1,366
Tanzania	Zambia	472	588	1,058	946	1,099	1,775	134	239	1,117	1,707
Zambia	DRC	8,231	2,422	2,487	1,880	3,548	3,788	209	196	2,532	1,632
Zambia	Mozambique				0	90	188	15	15	120	93
Zambia	Tanzania	0	2	0	0	86	122	3	27	62	127
Zambia	Zimbabwe	16	69	170	280	143	209	21	8	129	75
Total Traded (MT)		14,343	10,153	10,988	9,236	8,800	15,380	1,116	1,324	11,271	7,137

Bean trade has been largely stable remaining just above the 1,000 MT mark since August this year. The October volume of informally traded beans rose slightly upward from 1,302 MT captured in September to 1,324 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 October volume declined significantly from 11,271 MT captured same time last year to 7,137 MT (Table 6). Bean trade flows were significant along the Mozambique/Malawi, Zambia/DRC, Tanzania/Zambia and Tanzania/ Malawi borders. Malawi is the major bean importer this marketing year with the highest share of total imports at 61 percent. The DRC and Zambia registered shares of 15 and 19 percent respectively slightly above the 14 and 18 percent shares registered in September. Elsewhere bean trade remains low and insignificant.

Trends in Volumes of Bean Trade by Month and Year

Figure 6: Recorded Volumes of Informal Cross Border BEAN Trade: 2004/05 to 2011/12



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	13,83	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	1,57	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	1,826	2,663	54	2,159	91	817	3,122	2,277	2,159	2,660	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

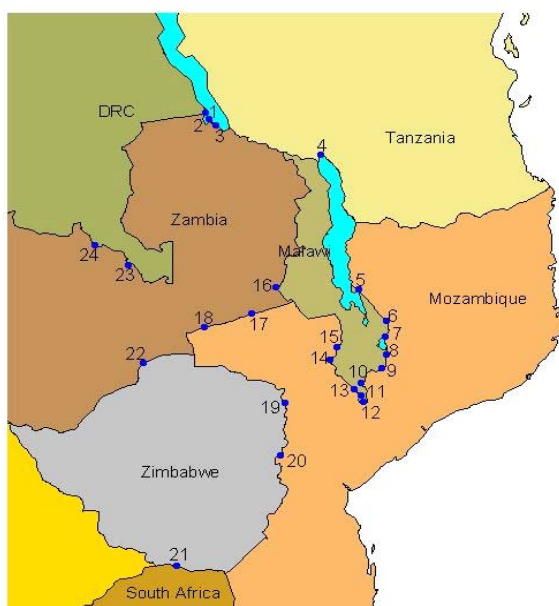
Annex 1 (continued)

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