

Informal Cross Border Food Trade in Southern Africa

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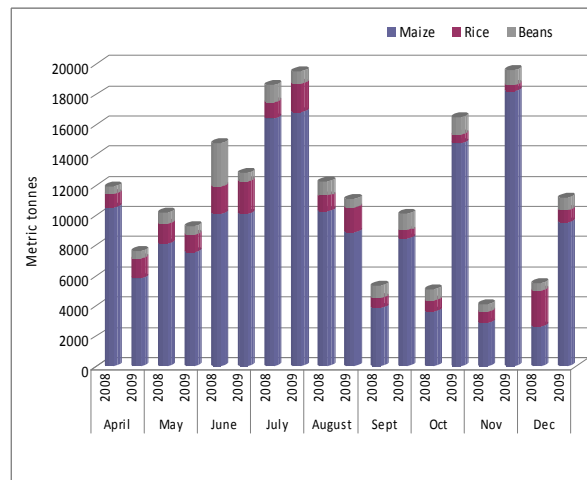
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Summary

- Total volume of recorded informal trade in maize, rice and beans for October, November and December 2009, amounted to 16,456 MT, 19,614 MT and 11,148 MT respectively. These traded volumes were well above those observed at the same time last year; an indication of improved regional availability of the main staple commodities.
- Commodity trade flow direction remained unchanged with Mozambique and Zambia being the major source countries while Zimbabwe, Malawi, and DRC remained the major destination countries.
- The December 2009 nominal maize grain prices were generally lower than at the same time last year at the Mozambique/Malawi (Muloza and Milange) and Mozambique/ Zimbabwe (Machipanda) border points. This indicates improved maize availability at the source areas in Mozambique. Nonetheless, prices have remained higher than normal at the Zambia/DRC (Kasumbalesa) border point and between Zambia/Tanzania (Nakonde) border point due to increased demand for Zambian maize grain on the DRC and Tanzanian sides.

Figure 1: Maize, rice and bean trade volumes - April to December 2008 and 2009



Overall volumes traded rose from 16,456 MT in October to 19,614 MT in November 2009 (Figure 1). However, in December 2009, the monthly overall volume dropped to 11,148 MT, 43 percent lower than the previous month. The decline in trade volumes is typical for the peak hunger season and is expected to continue until the next harvest as many farmers have run out of tradable stocks. These traded volumes were well above those observed at the same time last year. The December 2009 informal maize and bean trade were down to only 53 percent and 79 percent respectively of the volumes traded in November 2009. Interestingly, volume of rice trade in December 2009 was twice as high as the November 2009 volume, due to a significant increase in trade between Zambia and the DRC. Table 1 shows a

comparison of the monthly volumes of trade from April 2009 to December 2009. Cumulative volume of trade from April to December 2009 amounted to 99,959 MT, about 34 percent higher than the 74,470 MT recorded during the same period last season. Maize accounted for about 86 percent of the trade captured followed by rice and beans at 7 percent each. This is attributable to increased demand for maize in southern Malawi (which experienced drought conditions last season) which is the area that receives most of the maize imported from northern Mozambique.

TABLE 1: Summary of 2009/10 Informal Trade Flows (MT)

	April	May	June	July	August	Sept	Oct	Nov	Dec	Total
Maize	5,853	7,505	10,051	16,772	8,838	8,476	14,757	18,165	9,540	99,959
Rice	1,300	1,135	2,156	1,939	1,652	498	547	458	818	10,503
Beans	457	596	646	824	589	1,137	1,152	990	790	7,181
Maize Meal	12	332	273	597	234	169	3,457	6,139	250	11,462
All Commodity Total										129,105



A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative, with funding from USAID and WFP, 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 every week for collation and analysis. Currently, the informal cross border trade monitoring system includes 29 borders, with new borders being added as necessary. Data from borders surrounding

Malawi are collected and managed by FEWS NET and WFP Malawi, while the rest of the borders are managed by the TSC. Address comments/suggestions to the following e-mail addresses: pmdlada@few.net, itarakidzwa@few.net; or eric.kenefick@wfp.org

Summary of Maize trade flows

Figure 2: Recorded Volumes of Informal Cross Border MAIZE Trade—2004/05 to 2009/10

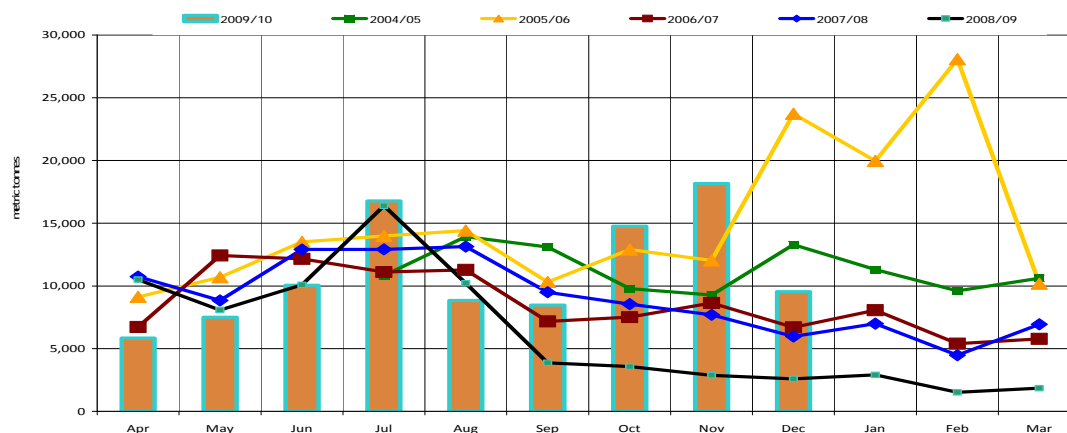
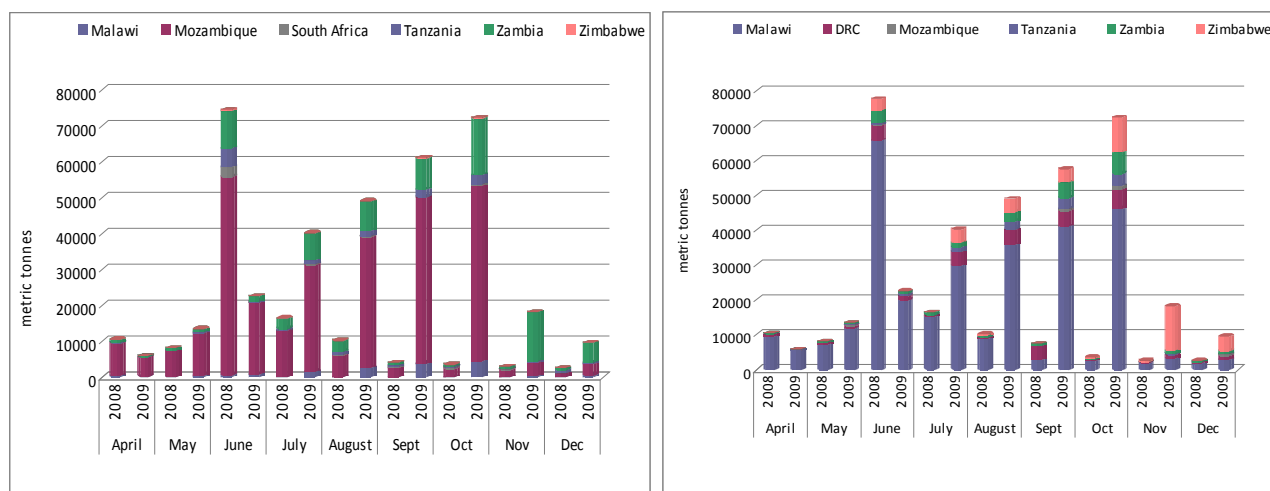


Figure 2 shows trends in volumes of informal maize trade while Table 2 (page 3) shows a summary of traded maize quantities by source and destination. Although traded maize volumes rose significantly after harvest (from April to July), they declined and remained stable during August and September but rose again in October and November with another dip in December 2009. Compared to the previous years, this year's October and November monthly traded volumes of maize have been significantly above all traded volumes captured since the start of informal cross border monitoring in 2004.

These trends suggest that amongst the monitored countries, there has been sufficient maize to supply the increased demand for lower priced maize in those parts which had below normal harvests. Zambia and Mozambique are the main source countries, while Malawi, DRC and Zimbabwe are the major recipients. November and December 2009 saw a huge surge in informal maize trade flows between Zambia and Zimbabwe (Figure 3). This has been influenced by recent maize trade agreements between the two countries.

Figure 3: April–Dec 2009 monthly MAIZE by (a) exports/source and (b) imports/destination compared to April–Dec 2008



Mozambique's exports remain the highest comprising 55.8 percent of the total exports recorded since the beginning of the marketing season. This is followed by Zambia, with 34.8 percent. The remaining countries have exported insignificant amounts ranging from 3.4 per cent in Malawi to as little as 0.3 per cent for South Africa. In terms of imports, Malawi recorded the highest share of 52.2 percent, followed by Zimbabwe (26.9 percent) and DRC (7.5 percent). The significant informal maize flows between Mozambique and Malawi continue to be influenced by price differentials between the two countries, with stable but higher maize prices on the Malawi side averaging USD 0.31 per kg since October, while in Mozambique (source) the prices have been going down from USD 0.28 per kg in October to USD 0.26 per kg in December 2009.

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

Source	Destination	Total 05/06	Total 06/07	Total 07/08	Total 08/09	Nov 08	Nov 09	Dec 08	Dec 09	Cumulative Apr-Dec 08/09	Cumulative Apr- Dec 09/10
Malawi	Mozambique	133	591	3,755	203	7	267	13	517	167	1,697
Malawi	Tanzania	944	2,928	1,581	239	5	61	7	39	237	3,585
Malawi	Zambia	81	202	1,779	129	7	0	5	0	112	176
Mozambique	Malawi	71,218	77,394	56,078	54,223	2,009	3,157	1,148	2,915	52,059	51,686
Mozambique	Zambia	49	1,269	2,113	865	31	514	12	340	844	4,118
Mozambique	Zimbabwe	5	2,085	11	178	22	0	18	0	164	11
South Africa	Zimbabwe	1,688	49	47	2,663	160	73	23	6	838	318
Tanzania	Malawi	84,862	1,888	1,073	2,910	21	0	681	13	1,340	13
Tanzania	Zambia	13,556	6,260	4,980	2,449	180	469	160	307	2,272	3,356
Zambia	DRC	4,682	9,481	33,424	4,589	189	872	418	1,097	4,176	7,476
Zambia	Malawi	419	378	2,500	5,388	3	12	1	4	5,388	517
Zambia	Mozambique	55	2	0	60	8	3	23	1	42	17
Zambia	Tanzania	0	7	4	15	0	10	0	34	8	170
Zambia	Zimbabwe	182	299	433	350	232	12,676	84	4,233	328	26,603
Zimbabwe	Mozambique	85	294	129	2	0	4	0	2	1	6
Zimbabwe	Zambia	-	-	166	207	0	46	0	32	207	209
Total Traded (MT)		177,959	103,127	108,679	74,470	2,873	18,165	2,592	9,540	68,182	99,959

Table 3 shows maize meal flows since May 2009. The volumes of traded maize meal were highest in October and November at 3457 MT and 6139 MT respectively. However in December, traded volumes reduced drastically to a mere 250 MT with about 65 percent of total flows coming from Zambia to DRC. South Africa's informal maize meal exports to Zimbabwe declined significantly from 67 MT captured in November 2009 to 3 MT in December 2009. Informal maize meal trade flows remain significant mainly between the Zambia/DRC and Zambia/Zimbabwe border points. Apart from the possible partial records for December, the drop could be partly explained by the increase in Zambia's maize grain exports during the December period, especially to the DRC and Zimbabwe; the two destination points which in the previous two months had the highest maize meal flows coming from Zambia.

Table 3: Maize Meal trade flows: May – December 2009

Source	Destination	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Malawi	Mozambique	8	5	12	10	2	6	9	9
Mozambique	Zimbabwe	22	23	0	0	0	0	0	0
South Africa	Zimbabwe	16	99	152	3	3	7	67	3
Tanzania	Zambia	10	26	10	8	7	12	17	8
Zambia	DRC	198	482	413	206	102	150	110	164
Zambia	Mozambique	1	2	0	1	1	2	3	1
Zambia	Tanzania	1	1	2	2	2	0	0	4
Zambia	Zimbabwe	0	8	9	3	0	3210	5910	60
Zimbabwe	Zambia	0	0	0	0	52	70	22	0
Total Traded (MT)		332	646	597	234	169	3457	6139	250

Maize Grain Prices

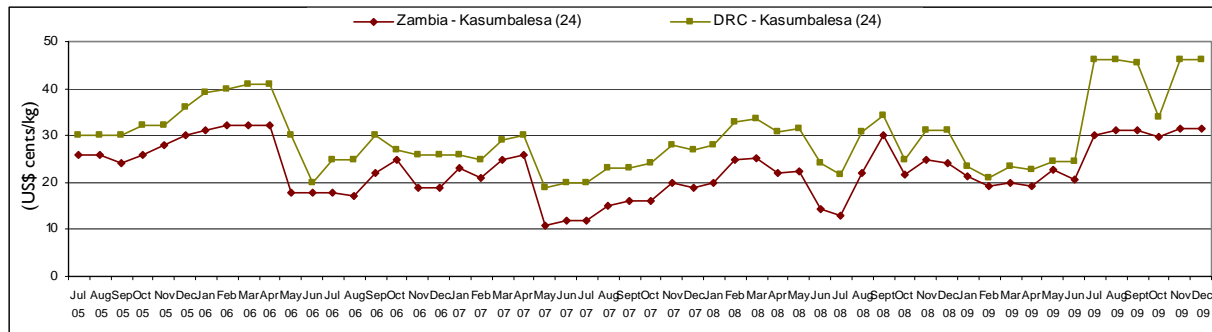
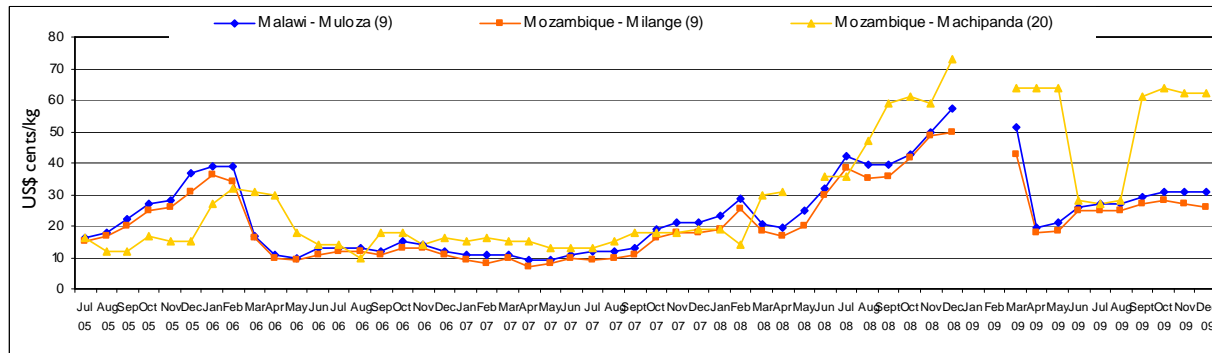
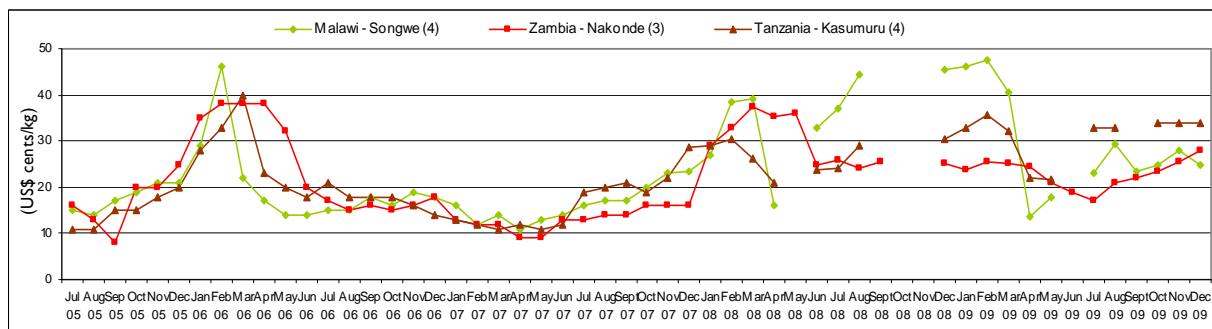
Table 3 provides a year on year comparison of the nominal maize grain prices (in USD equivalent) for the months of October to December 2009. Figure 4 shows price trends since July 2005 at selected source and destination areas. The December 2009 nominal maize prices are lower than the same time last year which is indicative of improved maize availability at most of the monitored sites. However, for the Zambia/DRC (Kasumbalesa) and Zambia/Tanzania (Nakonde) border points nominal maize grain prices have been consistently high and increasing since June 2009, probably due to increased demand for Zambian maize in the DRC and Tanzania.

Table 3: Nominal maize price trends at selected border points (US Cents per kg)

Price at Destination/Source	Oct 08	Oct 09	% change	Nov 08	Nov 09	% change	Dec 08	Dec 09	% change
Moz/Mal: Muloza (Destination)	39	29	-25	50	31	-38	57	31	-46
Moz/Mal: Milange (Source)	36	27	-24	49	27	-44	50	26	-48
Moz/Zim: Machipanda (Source)	59	61	3	59	62	5	73	62	-15
Zam/DRC: Kasumba-Zam (Source)	30	31	3	25	32	27	24	32	30
Zam/DRC: Kasumba-DRC (Dest)	34	46	32	31	46	49	31	46	49
Zam/Tan: Nakonde (Source)		22			34		25	34	35

Note: Border monitors record both source (point of origin) and destination (point of delivery) prices at each border point where prices are being monitored.

Figure 4: Retail MAIZE prices in selected border points (US\$ cents per kg)



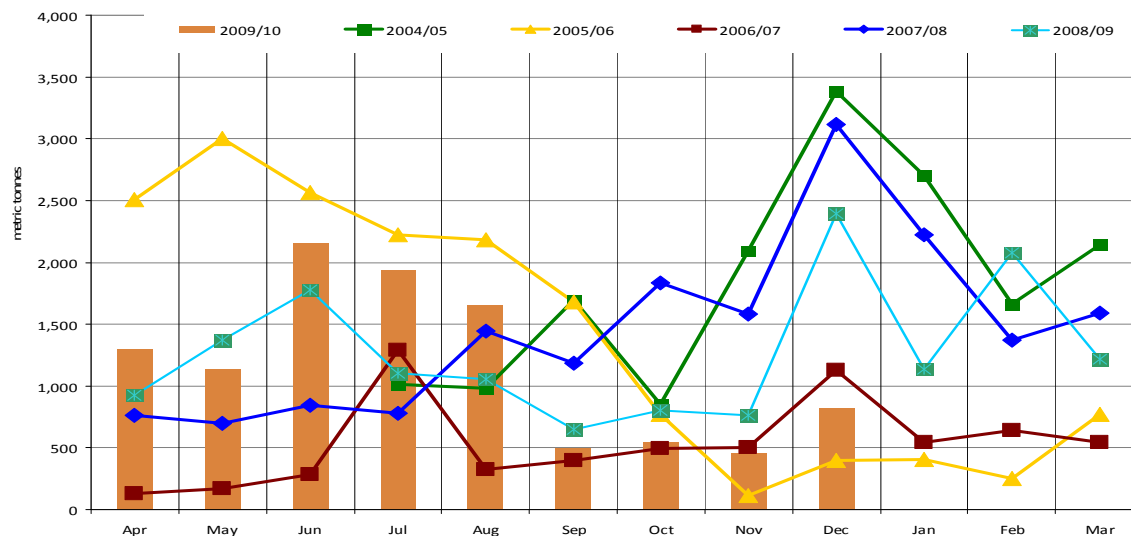
Summary of Rice trade flows

Table 4. 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	Nov 08	Nov 09	Dec 08	Dec 09	Cumulative Apr-Dec 08/09	Cumulative Apr-Dec 09/10
Malawi	Mozambique	12	1	822	58	0	18	5	5	53	293
Malawi	Tanzania	135	1,217	1,568	291	1	105	0	107	291	1,901
Malawi	Zambia	31	74	2,360	990	0	0	0	0	990	2,569
Malawi	Zimbabwe	-	-	405	0	0	0	0	0	0	630
Mozambique	Malawi	1,691	1,718	444	690	3	58	8	2	688	565
Mozambique	Zimbabwe	399	850	1,028	1,958	217	17	319	23	1,636	237
South Africa	Zimbabwe	64	82	33	25	4	2	4	1	23	22
Tanzania	Malawi	912	4	100	154	3	0	0	0	154	0
Tanzania	Zambia	641	557	397	374	27	55	18	77	312	468
Zambia	DRC	12,629	1,697	6,746	9,333	415	155	1,932	533	5,587	3,334
Zambia	Malawi	0	0	30	0	0	0	0	0	0	0
Zambia	Zimbabwe	106	803	3,312	1,387	2	1	0	2	5	7
Zimbabwe	Zambia	0	0	185	0	0	0	0	0	0	0
Total Traded (MT)		16,620	7,003	17,434	15,268	762	458	2,393	818	10,834	10,503

Informally traded volumes of rice in the April to December 2009 period are 3 percent lower compared to the same time last year. Cumulatively, Malawi has recorded the highest total export share of rice at 51.4 percent, followed by Zambia at 36.3 percent, Mozambique (7.7 percent) and Tanzania (4.5 percent). On the import side, DRC dominated with a total share of 31.7 percent followed by Zambia (28 percent), and Tanzania (18 percent). Malawi and Mozambique had smaller import shares at 5.4 and 2.8 percent respectively. A month by month analysis shows that total traded volumes of rice increased by 79 percent from 458 MT in November to 818 MT in December 2009. Compared to December last year, this year's traded volume of rice is significantly lower (by 65.8 percent), which is attributable to reduced informal rice trade between Zambia and DRC. The most prevalent flows are from Malawi to Zambia and Tanzania; and from Zambia to the DRC. Zambia is both a major source and destination country.

Figure 5: Recorded Volumes of Informal Cross Border RICE Trade 2004/05 to 2009/10 (MT)



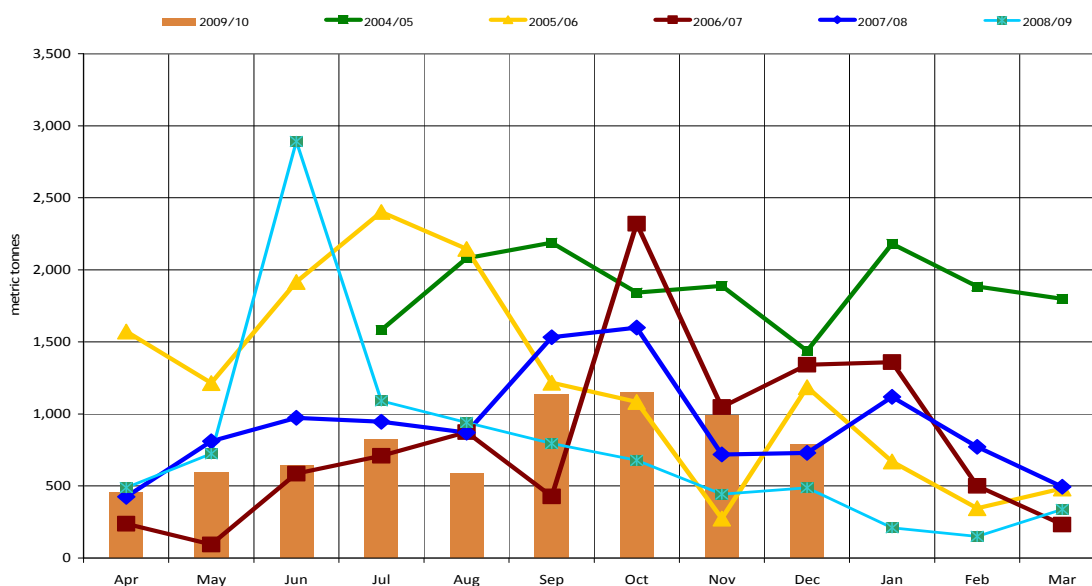
Summary of Bean trade flows

Table 5. 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	Oct 08	Oct 09	Cumulative Apr- Oct 08/09	Cumulative Apr- Oct 09/10
Malawi	Mozambique	76	269	149	19	2	0	19	317
Malawi	Tanzania	0	0	169	6	0	6	6	6
Malawi	Zambia	19	268	338	124	8	0	108	36
Malawi	Zimbabwe	-	-	480	0	0	0	0	0
Mozambique	Malawi	2,741	2,798	2,375	3,045	123	541	2,778	1,727
Mozambique	Zimbabwe	4	8	13	29	5	0	12	36
South Africa	Zimbabwe	325	83	11	6	0	0	2	7
Tanzania	Malawi	2,459	3,646	3,468	2,749	257	143	2,159	221
Tanzania	Zambia	472	588	1,058	946	71	102	789	705
Zambia	DRC	8,231	2,422	2,487	1,880	188	317	1,568	2,083
Zambia	Tanzania	0	2	0	0.4	0	9	0	9
Zambia	Zimbabwe	16	69	170	280	23	15	164	94
Total Traded (MT)		14,343	10,153	10,988	9,235	677	1,152	7,607	5,401

The monthly traded volumes of beans have been on a steady decline since October 2009. Nonetheless, trade flows between Zambia/DRC remain the highest - the traded volume in December alone from Zambia to DRC was 463 MT followed by Mozambique to Malawi (158 MT). Mozambique/Malawi and Tanzania/Zambia flows came in second and third, at 158 MT and 104 MT respectively. The cumulative total for April to December 2009 is slightly lower (15.9 percent) compared to what was captured at the same time last year. This is attributable to a significant drop in bean trade between Tanzania and Malawi from 2,528 MT captured last December to 440 MT this year - a six fold reduction. In terms of imports, the DRC registered the highest total import share of 39.8 percent, followed by Malawi at 36.3 percent. The remaining countries registered smaller shares ranging from 15.8 percent in Zambia (15.8 percent), Mozambique (4.93 percent) and Tanzania (1.0 percent). On the export side, Zambia topped the list with a 42.7 percent total export share, followed by Mozambique (32.8 percent), Tanzania (19.3 percent) and Malawi (5.1 percent).

Figure 6: Recorded Volumes of Informal Cross Border BEAN Trade: 2004/05 to 2009/10



Annex 1: Trade Tables

Table 6 Informal Cross Border trade in Maize (MT)

Source	Destination	2004/05 Season	Apr- Jun 05	Jul- Sep 05	Oct- Dec 05	Jan- Mar 06	2005/06 Season	Apr- Jun 06	Jul- Sep 06	Oct- Dec 06	Jan- Mar 07	2006/07 Season	Apr- Jun 07	Jul- Sep 07	Oct- Dec 07	Jan- Mar 08	2007/08 Season
Tanzania	Zambia	3,699	397	7,685	4,201	1,273	13,556	318	751	2632	2,559	6,260	835	2,649	1,158	338	4,980
Zambia	Zimbabwe	13,106	86	13	21	62	182	3	0	1	295	299	243	179	11	0	433
Zambia	Malawi	2,157	34	36	349	-	419	58	249	45	26	378	22	21	3	2,454	2,500
Zambia	Tanzania	93	-	-	-	-	-	-	0	0	7	7	4	0	0	0	4
Malawi	Zambia	34	8	5	51	17	81	64	65	27	46	202	907	427	171	274	1,779
Zambia	DRC	8,318	2,477	1,641	531	33	4,682	992	956	3189	4,344	9,481	8,123	11,044	10,377	3,880	33,424
Mozambique	Malawi	71,229	29,064	26,866	8,981	6,307	71,218	27,479	27,069	15726	7,120	77,394	21,394	19,648	7,712	7,324	56,078
Malawi	Tanzania	637	103	174	358	309	944	2,358	451	55	64	2,928	71	348	137	1,025	1,581
Tanzania	Malawi	2,656	471	1,211	33,601	49,579	84,862	-	0	183	1,705	1,888	0	0	8	1,065	1,888
Mozambique	Zimbabwe	2	2	3	-	-	5	4	0	6	2,075	2,085	4	0	1	6	11
Mozambique	Zambia	-	5	24	20	-	49	5	111	811	342	1,269	475	1,084	489	65	2,113
Malawi	Mozambique	-	-	-	-	133	133	-	0	17	574	591	97	86	1,786	1,786	3,755
Zambia	Mozambique	-	-	-	-	55	55	2	0	0	0	2	0	0	0	0	0
Zimbabwe	Mozambique	-	-	-	-	85	85	15	43	147	89	294	12	48	45	24	129
South Africa	Zimbabwe	-	486	921	55	226	1,688	17	8	15	9	49	9	10	17	11	47
Total Traded (MT)		101,929	33,133	38,579	48,168	58,079	177,959	31,315	29,703	22854	19,255	103,127	32,496	35,544	22,221	18,417	108,679

Table 7: Informal Cross Border trade in Rice (MT)

Source	Destination	2004/05 Season	Apr- Jun 05	Jul- Sep 05	Oct- Dec 05	Jan- Mar 06	2005/06 Season	Apr- Jun 06	Jul- Oct 06	Oct- Dec 06	Jan- Mar 07	2006/07 Season	Apr- Jun 07	Jul- Sep 07	Oct- Dec 07	Jan- Mar 08	2007/08 Season
Tanzania	Zambia	547	99	184	172	178	641	100	168	165	124	557	96	140	84	77	397
Malawi	Tanzania	450	-	61	0	-	135	56	740	106	315	1,217	363	421	761	23	1,568
Tanzania	Malawi	70	3	4	108	797	912	4	0	0	0	4	0	0	0	100	100
Zambia	DRC	12,644	6,164	5,661	690	114	12,629	46	231	1125	295	1,697	253	486	2,658	3,349	6,746
Zambia	Malawi	0	-	0	0	-	0	-	0	0	0	0	0	0	0	30	30
Malawi	Zambia	1	30	1	0	-	31	-	2	12	60	74	285	510	1,055	510	2,360
Zambia	Zimbabwe	50	15	16	34	41	106	55	141	76	531	803	629	1,086	1,016	581	3,312
Mozambique	Malawi	2,532	1,456	0	152	83	1,691	222	1,155	275	66	1,718	180	95	130	39	444
Malawi	Mozambique	1	4	2	0	6	12	-	0	0	1	1	11	488	288	35	822
Mozambique	Zimbabwe	58	188	97	45	69	399	99	166	253	332	850	291	174	321	242	1,028
South Africa	Zimbabwe	0	21	19	9	15	64	6	3	67	6	82	8	8	8	9	33
Total Traded (MT)		16,355	8,062	6,045	1,210	1,303	16,620	588	2,606	2079	1,730	7,003	2,311	3,408	6,533	5,182	17,434

Annex 1 (continued)

Table 8: Informal cross border trade in beans (MT)

Source	Destination	2004/05 Season	Apr-Jun 05	Jul-Sep 05	Oct-Dec 05	Jan-Mar 06	2005/06 Season	Apr-Jun 06	Jul-Sep 06	Oct-Dec 06	Jan-Mar 07	2006/07 Season	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Jan-Mar 08	2007/08 Season
Tanz	Zambia	509	99	223	87	63	472	128	154	73	233	588	433	239	82	304	1,058
Zambia	Tanz	0	-	0	0	-	0	-	0	2	0	2	0	0	0	0	0
Zambia	DRC	12,019	3,593	3,740	843	55	8,231	390	350	1,558	124	2,422	615	683	862	327	2,487
Malawi	Moz	417	14	29	5	28	76	15	2	0	252	269	79	9	29	32	149
Zambia	Zim	372	1	6	3	6	16	28	20	8	13	69	37	42	62	29	170
Moz	Malawi	2,997	683	1,530	463	65	2,741	613	1,383	737	65	2,798	524	1,038	627	186	2,375
Malawi	Tanz	2	-	0	0	-	0	-	0	0	0	0	0	169	0	0	169
Moz	Zim	67	1	1	2	-	4	1	2	4	1	8	3	2	5	3	13
Malawi	Zambia	30	3	7	6	3	19	151	64	26	27	268	184	101	38	15	338
Tan	Malawi	403	18	68	1,134	1,239	2,459	-	54	2,227	1,365	3,646	0	880	1341	1,247	3,468
RSA	Zim	0	165	152	4	4	325	3	2	66	12	83	3	5	2	1	11
Total Traded (MT)		16,816	4,577	5,756	2,547	1,463	14,343	1329	2,031	3,360	2,092	10,153	2,208	3,348	3,048	2,384	10,988

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 |

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