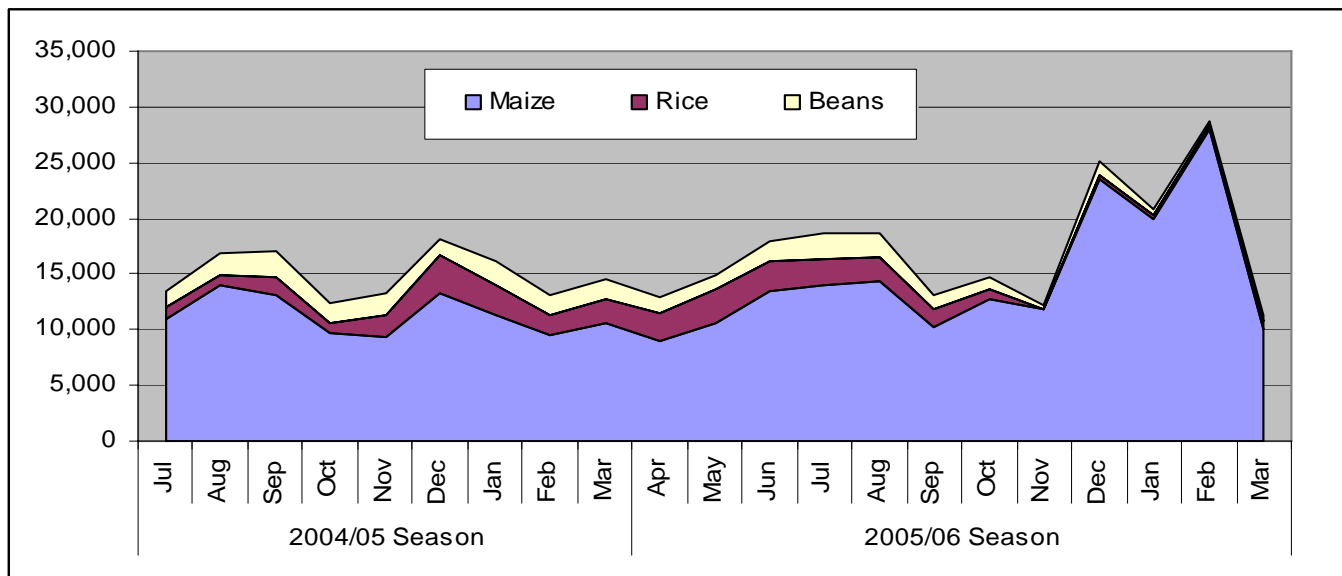


HIGHLIGHTS

- The 2005/06 marketing season closes with a total informal trade volume of **209,000 MT** in maize, rice and beans captured since April 2005.
- **Tanzania and Mozambique** are the major sources of informal maize export in 2005/06.
- **Malawi** remains the main destination of informal trade in maize in the Southern Africa region.
- Prospects of better harvests in Malawi and Zambia likely to result in reduced overall trade in the new 2006/07 marketing season beginning in April 2006.

OVERALL SUMMARY OF TRADE FLOWS

Figure 1: Recorded Informal Cross Border Trade in DRC, Malawi, Mozambique, South Africa, Tanzania, Zambia & Zimbabwe (MT)



Source: FEWS NET and WFP Malawi and Regional WFP/FEWS NET Technical Steering Committee (TSC)

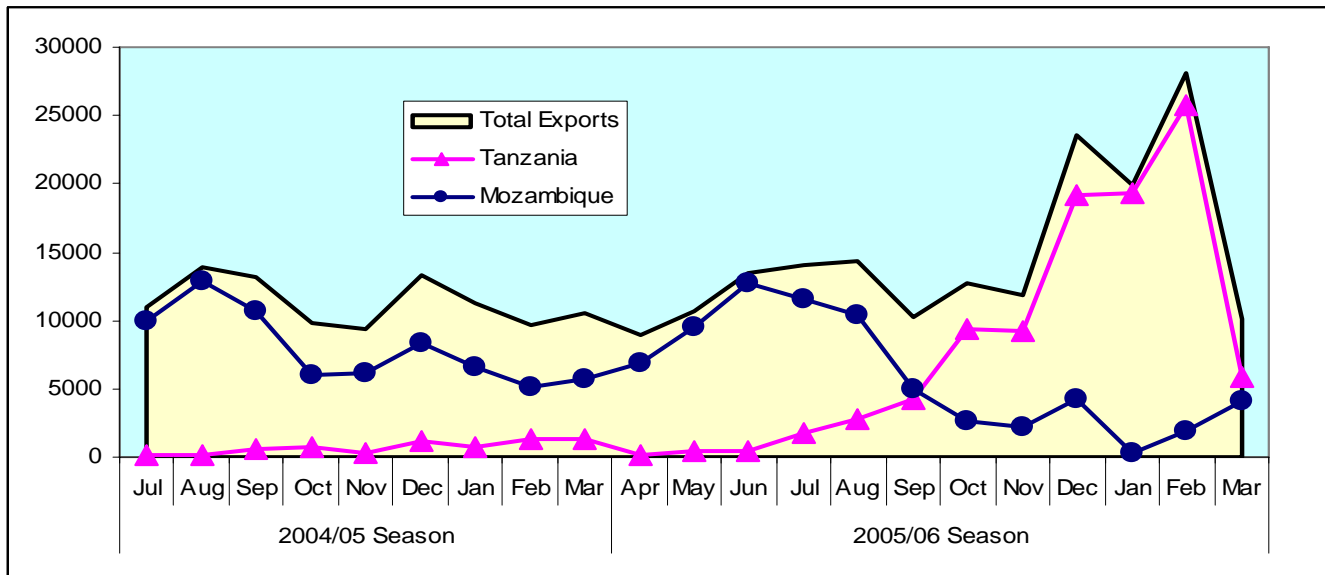
At the end of the 2005/06 marketing season, the volume of trade in maize, rice and beans captured through the Southern Africa informal cross border food trade monitoring system amounted to 209,000 MT. This comprised maize (178,000 MT), rice (17,000 MT) and beans (14,000 MT). This is about one and half times the 135,000 MT total tracked in the previous season which comprised of maize (102,000 MT), rice (16,000 MT) and bean (17,000 MT). It should be noted however that the 2004/05 marketing season volume covered the period between July 2004 and March 2005, two months short of the full marketing season.

Maize accounted for 85 percent of the trade during the 2005/06 marketing season, with rice and beans accounting for about 8 percent and 7 percent respectively. On the other hand, during the 2004/05 marketing season trade in maize accounted for 75 percent while rice and beans accounted for 16 and 17 percent respectively. In addition to the trade in maize grain, rice and beans, an increasing amount of trade in wheat flour, maize meal, and other food crops was observed at some border crossing points in the region during

the just ended marketing season. Analysis of trade in these food crops will be included if volumes traded increase significantly in the ensuing season.

SUMMARY OF MAIZE TRADE FLOWS

Figure 2: Total Captured Informal Cross Border Maize Trade Captured and Informal Maize Trade from Tanzania and Mozambique (MT)



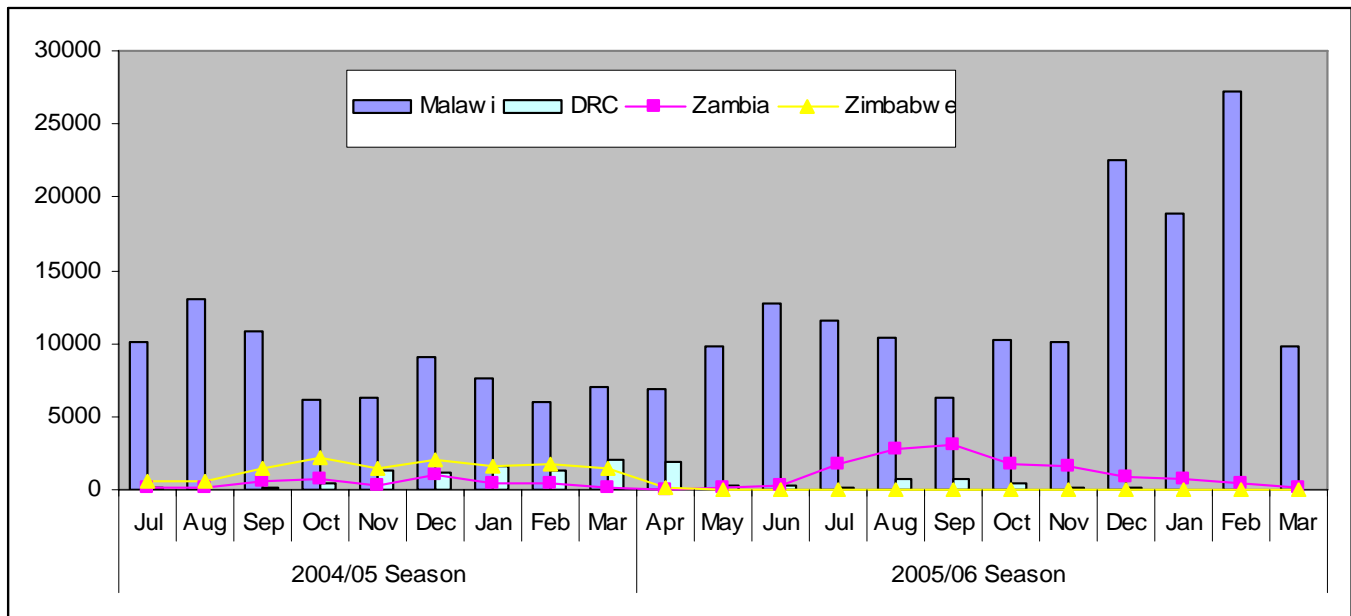
Source: FEWS NET and WFP Malawi; TSC

As shown in Figure 2, Tanzania and Mozambique were the main sources of informal maize exports during the marketing year, contributing between them 170,000 MT (or 95%) to the total maize trade captured. Mozambique dominated the trade from April through September but was surpassed by Tanzania from October through to the end of the marketing season in March. Overall, Mozambique exported close to 71,000 MT whereas Tanzania exported nearly 100,000 MT. During the 2004/05 marketing season, Mozambique also exported close to 71,000 MT of maize, although this amount did not include exports made in April and May 2004 (the monitoring system was set up in July 2004). In this regard, it is likely that Mozambique exported more maize during 2004/05 season than in the 2005/06 season. On the other hand, Tanzania's exports increased from 6,300 MT in the 2004/06 marketing season to 100,000 MT during the 2005/06 marketing. In 2004/05 the second major source of maize after Mozambique was Zambia, which exported close to 15,400 MT. However, during the outgoing season Zambia was a net importer of maize.

As at the end of the season, Malawi had received the majority of the imports (157,000 MT) followed by Zambia at 14,000 MT and DRC at 5,000 MT (figure 3). Although Zimbabwe was equally affected by food shortages, its share of imports remained low (just under 2,000 MT) largely due to the import restrictions which it maintains along all its borders. Although not directly comparable (because monitoring started in July in 2004/05 season), Malawi's informal maize imports doubled this season compared to 76,000 MT last season; for Zimbabwe, imports declined to 1,900 MT from 13,000 MT in 2004/05 and for DRC, imports declined to 5,000 MT from 8,000 MT the previous season. Zambia, which only imported 4,000 MT in 2004/05 imported 14,000 MT this season.

Several factors explain the changed trade dynamics between this season and the last. On the supply side, during 2005/06 season, Zambia became a net importer from a net exporter; Mozambique had a poorer harvest which saw its exports dwindle not more than 5 months into the marketing season. On the other hand, Tanzania had a better season and increased substantially its exports to its southern neighbors. On the demand side, Malawi's cereal deficit rose (from about 150,000MT in 2004/05 to about 400,000 MT in 2005/06 season) and Zimbabwe's (from about 600,000 MT in 2004/05 season to about 1.2 million MT in 2005/06 season). In addition, Zambia also had a poor season, and needed to import some 200,000 MT.

**Figure 3: Share of Total Captured Informal Cross Border Maize Imports By Country
 2005/06 Marketing Season (MT)**



Source: FEWS NET and WFP Malawi; TSC

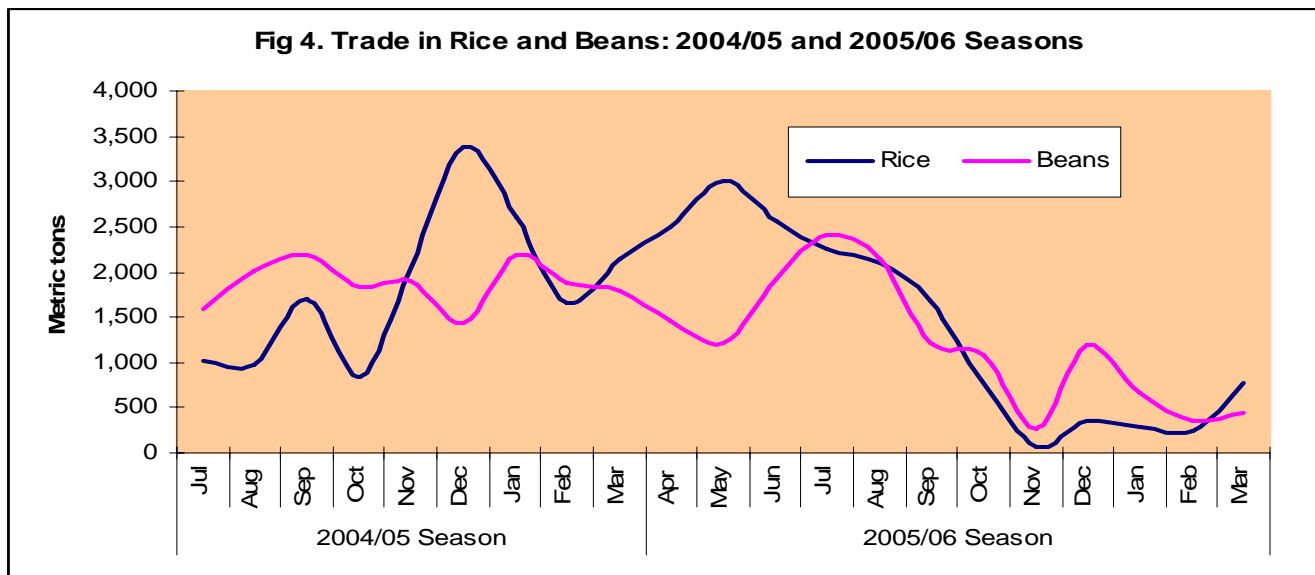
There is a likelihood of reduced trade in the new season starting in April due to better harvest prospects in some of the monitored countries which in 2005/06 were net importers including Malawi and Zambia. Supplies from northern Mozambique are likely to be about normal despite earlier fears of reduced harvest due to below normal rains. A below normal harvest may however be expected in Zimbabwe, although this is yet to be confirmed through on-going assessments. These factors may alter the direction and dynamics of trade in the new season.

MALAWI, ZAMBIA & ZIMBABWE FORMAL IMPORTS FROM SOUTH AFRICA

According to the South Africa Grain Information Service (SAGIS), as at the end of March (March 31), South African maize exports into Zimbabwe since April 2005 amount to just over a million MT. This leaves a 200,000 MT shortfall (since the country announced its intention to import 1.2 million MT during the marketing season). Although the import programme has been impressive, leakages into Mozambique due to the price differentials cited earlier in previous reports reduced the net import quantity. The indications pointing to yet another poor harvest this season could signal the need for a maize import programme of similar magnitude. Meanwhile, Malawi formally imported 66,142 MT, while Zambia imported 80,027 MT from South Africa over the period April 2005 to March 2006.

SUMMARY OF RICE AND BEAN TRADE

The trade in rice and beans is summarized in Figure 4. Both commodities were traded at much lower volumes this year than last year. Trade in rice and beans was confined to a few border points. During the season, trade in rice was dominated by exports from Malawi to Tanzania and from Tanzania to Zambia. On the other hand trade in beans was dominated by Tanzanian exports to Malawi and Zambia. Expectations of better harvest prospects in both Malawi and Zambia and reduced harvest prospects in Tanzania portend increased trade in both commodities in the new marketing season.



Source: FEWS NET and WFP Malawi and Technical Steering Committee (TSC)

ANNEXES

Table 1: Informal Cross Border trade in Maize (MT)

Source	Destination	2004/05											2005/06												
		Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Season	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	so far	
Tanzania	Zambia	91	115	590	714	225	982	441	454	87	3,699	15	123	259	1,779	2,807	3,099	1,767	1,556	878	734	369	170	13,556	
Zambia	Zimbabwe	617	636	1,409	2,242	1,400	1,986	1,624	1,764	1,428	13,106	84	0	2	3	2	8	12	6	3.3	60	1	1	182	
Zambia	Malawi	146	185	153	144	114	655	691	43	26	2,157	8	9	17	6	7	23	16	331	1.5	0	0	0	419	
Zambia	Tanzania	0	54	17	4	10	6	1	0	1	93	0	0	0	0	0	0	0	0	0	0	0	0	0	
Malawi	Zambia	0	0	0	1	13	5	8	3	4	34	2	3	3	2	0	3	0	12	39	0	17	0	81	
Zambia	DRC	96	0	160	495	1,333	1,226	1,596	1,345	2,067	8,318	1,893	329	255	185	741	715	371	80	80	6.9	11	15	4,682	
Mozambique	Malawi	9918	12818	10,622	6,046	6,115	8,272	6,613	5,056	5,769	71,229	6,829	9,576	12,659	11,515	10,353	4,998	2,673	2,136	4,172	304	1,886	4,117	71,218	
Malawi	Tanzania	59	121	135	108	55	63	40	34	22	637	33	0	70	104	42	28	322	13	23	7.2	302	0	944	
Tanzania	Malawi	0	0	22	21	72	146	293	900	1,202	2,656	108	256	107	0	5	1,206	7,600	7663	18,338	18,530	25,350	5,699	84,862	
Mozambique	Zimbabwe	0	0	-	-	-	-	-	2	0	2	0	0	2	2	1	0	0	0	0	0	0	0	0	5
Mozambique	Zambia	0	0	-	-	-	-	-	-	-	0	-	2	3	1	20	3	3	1	16	0	0	0	0	49
Malawi	Mozambique	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	62	63	8	133	
Zambia	Mozambique	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	21	10	55	
Zimbabwe	Mozambique	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28	40	17	85	
South Africa	Zimbabwe	0	0	-	-	-	-	-	-	-	0	-	352	134	390	409	122	39	14	2	193	17	16	1,688	
Total Traded (MT)		10927	13930	13,108	9,774	9,337	13,341	11,306	9,600	10,606	101,929	8,972	10,650	13,511	13,987	14,387	10,205	12,803	11,812	23,553	19,949	28,077	10,053	177,959	

Table 2: Informal Cross Border trade in Rice (MT)

Source	Destination	2004/05											2005/06												
		Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Season	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	so far	
Tanzania	Zambia	94	173	93	69	58	24	8	7	21	468	3	53	51	64	60	60	45	49	78	65	67	46	641	
Malawi	Tanzania	59	174	134	36	30	17	0	0	0	451	0	33	41	41	20	0	0	0	0	0	0	0	0	135
Tanzania	Malawi	0	0	0	0	0	0	0	58	12	435	1	0	2	4	0	0	0	0	108	135	57	605	912	
Zambia	DRC	775	583	1,428	724	1,524	1,909	2,449	1,369	1,883	12,183	1,975	1,865	2,324	2,064	2,014	1,583	690	0	0	46	35	33	12,629	
Zambia	Malawi	0	0	0	0	0	0	0	0	0	64	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malawi	Zambia	0	0	0	0	0	0	0	1	0	29	30	0	0	1	0	0	0	0	0	0	0	0	0	31
Zambia	Zimbabwe	3	2	11	3	4	9	7	0	11	12	5	4	6	6	4	6	13	5	16	10	14	17	106	
Mozambique	Malawi	80	46	27	14	407	1,432	149	226	151	3,347	453	1,000	3	0	0	0	2	0	150	0	51	32	1,691	
Malawi	Mozambique	0	1	0	0	0	0	0	0	0	392	0	0	4	2	0	0	0	0	0	0	6	0	0	12
Mozambique	Zimbabwe	-	-	-	-	-	-	-	2	58	61	34	25	129	72	0	25	29	16	0	14	18	37	399	
South Africa	Zimbabwe	-	-	-	-	-	-	-	-	-	-	-	17	4	8	6	5	4	3	2	8	4	3	64	
Total Traded (MT)		1,011	979	1,693	846	2,023	3,391	2,613	1,663	2,136	16,356	2,501	2,997	2,564	2,262	2,104	1,679	783	73	354	278	252	773	16,620	

Table 3: Informal Cross Border trade in Beans (MT)

Source	Destination	2004/05												2005/06										
		Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Season	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Season so far
Tanzania	Zambia	20	76	166	164	14	1	1	61	6	509	0	57	42	28	64	131	33	54	0	27	28	8	472
Zambia	Tanzania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Zambia	DRC	844	946	1,425	1,211	1,440	1,124	1,942	1,545	1,542	12,019	1,320	844	1,429	1,550	1,431	759	843	0	0	24	16	15	8231
Malawi	Mozambique	1	330	60	0	0	1	1	2	22	417	0	5	9	16	7	6	0	5	0	0	0	28	76
Zambia	Zimbabwe	0	0	0	0	364	0	0	8	0	372	0	0	1	2	1	3	1	1	1	2.3	3	1	16.3
Mozambique	Malawi	714	633	505	315	0	256	183	177	214	2,997	131	144	408	663	576	291	201	181	81	42	23	0	2741
Malawi	Tanzania	0	2	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Mozambique	Zimbabwe	-	-	-	-	-	1	0	65	1	67	0	1	0	0	0	1	1	1	0	0	0	0	4
Malawi	Zambia	0	1	2	9	4	8	3	-	3	30	0	1	2	5	0	2	4	2	0	0	3	0	19
Tanzania	Malawi	5	33	29	129	68	49	52	25	13	403	0	0	18	14	33	21	0	30	1,104	573	274	392	2459
South Africa	Zimbabwe	-	-	-	-	-	-	-	-	-	0	-	162	3	120	29	3	3	1	0	0	2	2	325
Total Traded (MT)		1,584	2,021	2,187	1,828	1,890	1,440	2,182	1,883	1,801	16,816	1,451	1,214	1,912	2,398	2,141	1,217	1,086	275	1,186	668	349	446	14343.3

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. Borders throughout the region have been surveyed and the most active and important borders have been selected for monitoring. 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@fewnet.net, simon.dradi@wfp.org; eric.kenefick@wfp.org;