



Informal Cross Border Food Trade in Southern Africa



Monthly Highlights:

- Close to 76,000 MT of informal trade in maize (65,930 MT), rice (5,700 MT) and beans (4,400 MT) captured in the first quarter of the 2007/08 marketing season representing a 12.5% increase over last year volumes.
- Maize retail prices rise across selected border points, but price increases are normal for the period.
- Malawi Government formally exports 231,000 MT to Zimbabwe between April and September.

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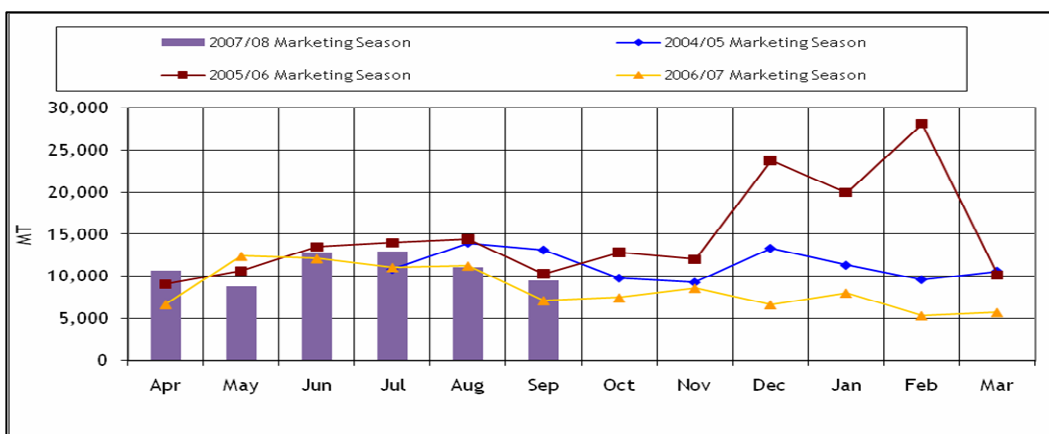
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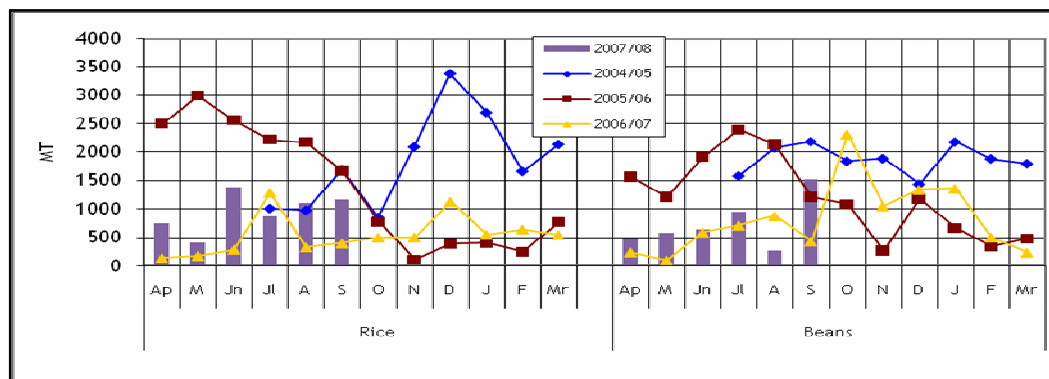
Overall summary of trade flows

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



Half way through the 2007/08 agricultural marketing season, close to 76,000 MT of officially unrecorded trade in maize, rice and beans was captured by the Southern Africa Informal Cross Border Food Trade Monitoring System. Maize accounted for 87% followed by rice at 7% and beans at 6%. Overall, the volume traded between April and September this year was 12.5% above that recorded over the same period last year (67,572 MT). The trend of trade is so far similar to the previous seasons but the volumes traded this marketing season (2007/08) and during the 2006/07 marketing season are lower than during the two seasons before, reflecting improved cereal availability in the monitored countries except Zimbabwe. Compared to last year, the volume of trade in maize this year increased by 8%; trade in rice increased by 78% and bean trade was also higher by 31%.

Figure 2: Recorded Informal Cross Border Food Trade in Rice & Beans in DRC, Malawi, Mozambique,



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@fewsn.net, simon.dradri@wfp.org; eric.kenefick@wfp.org or andrzej.golebiowski@wfp.org

Summary of maize trade flows

Table 1: Informal Cross Border Maize Exports By Country

Source	Destination	Total 04/05 Season	Total 05/06 Season	Total 06/07 Season	Sept 06	Sept 07	Cumulative Apr-Sept 06/07	Cumulative Apr-Sept 07/08
Malawi	Zambia	34	81	202	17	39	129	1,262
Malawi	Mozambique	-	133	591	0	16	0	85
Malawi	Tanzania	637	944	2,928	90	19	2,809	324
Mozambique	Zimbabwe	2	5	2,085	0	0	4	4
Mozambique	Zambia	-	49	1,269	36	148	116	1,559
Mozambique	Malawi	71,229	71,218	77,394	6,120	4,723	54,548	39,178
South Africa	Zimbabwe	-	1,688	49	3	4	25	19
Tanzania	Malawi	2,656	84,862	1,888	0	0	0	10
Tanzania	Zambia	3,699	13,556	6,260	253	897	1,069	3,484
Zambia	Zimbabwe	13,106	182	299	0	67	3	422
Zambia	Malawi	2,157	419	378	73	56	307	351
Zambia	Tanzania	93	0	7	0	0	0	4
Zambia	Mozambique	-	55	2	0	0	2	0
Zambia	DRC	8,318	4,682	9,481	555	3,493	1,948	19,167
Zimbabwe	Mozambique	-	85	294	24	29	58	60
Total Traded (MT)		101,929	177,959	103,127	7,171	9,491	61,018	65,929

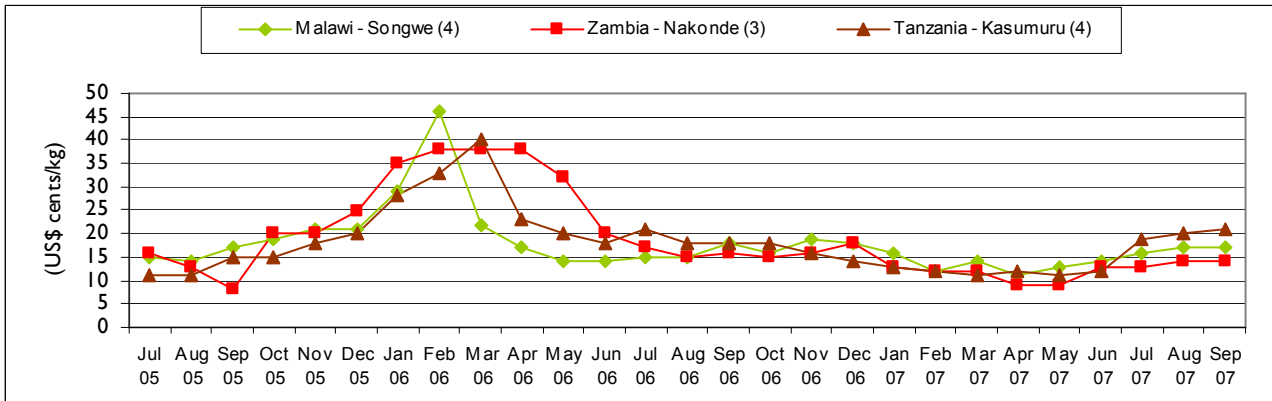
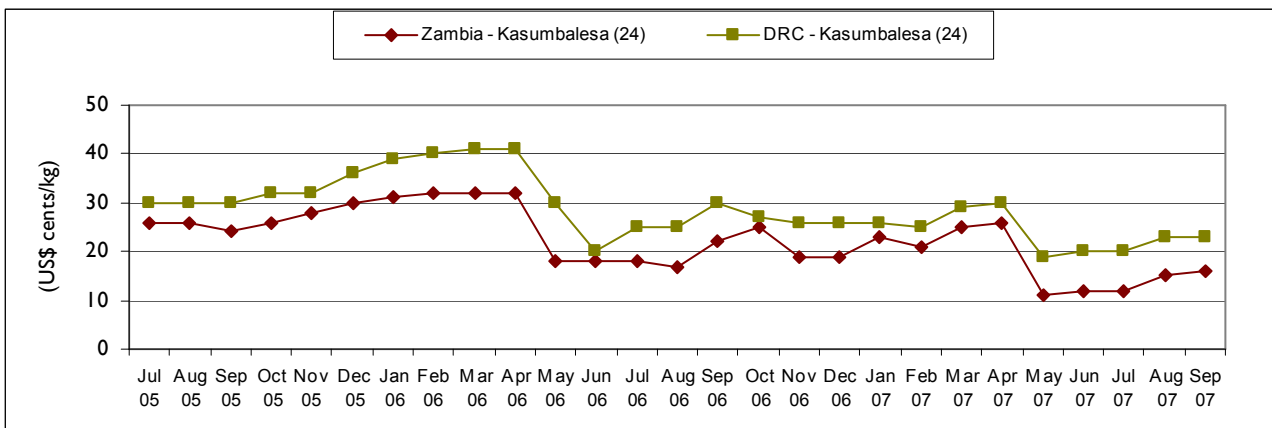
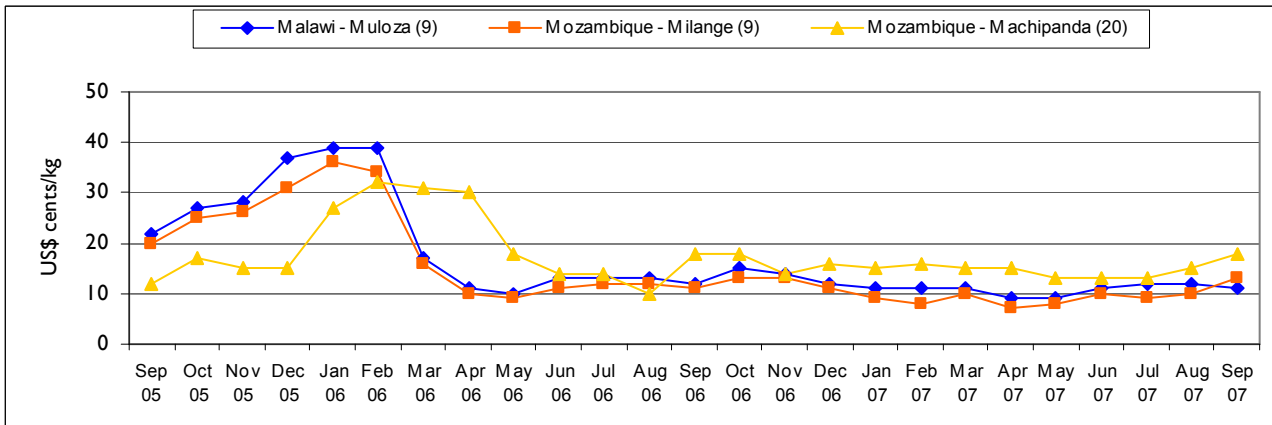
Table 1 summarises maize informal trade flows according to source and destination. Halfway through the marketing season, while remaining the largest informal exporter of maize grain, Mozambique's share of trade in maize has declined both in absolute and percentage terms over the past year. Between April and September this year, Mozambique's informal maize exports stand at 40,741 MT, as compared with 54,668 MT during the same period last year. Meanwhile the share of Mozambique's exports in overall maize trade this year is 61%, representing a significant drop from last year's share of 90% for the same period. On a monthly basis, informal maize exports from Mozambique dropped from 6,593 MT in August to 4,871 MT in September. This was a continuation of the declining trend which began in June this year. The diminishing contribution of Mozambican maize export to the overall informal maize trade is mainly due to declining demand from Malawi, which has been the largest importer. Malawi has had two successive bumper harvests that have left the country with significant maize surpluses. In addition to the declining demand from Malawi, there was also increased internal demand for maize in Mozambique due to reduced production in other parts of the country.

Meanwhile, Zambia has increased its overall informal maize exports from 2,260 MT between April and September last year to 19,944 MT over the same period this year. Most of this increase have been exports to the DRC. In general, this can be attributed to the above average production in Zambia in the last growing season and the partial lifting of the ban on maize export that had previously been in place.

Maize Price Trends at Selected Border Points

Figures 3a to 3c depict the movement of retail price across selected border points, grouped according to proximity or catchment area. Retail prices for maize across the selected border points rose in September, but the increases were consistent with seasonal patterns for the period. Around the Milange (Mozambique)/Muloza (Malawi) border area, the prices increases were a continuation of a trend that begun in May. Prices in the area averaged US\$0.13 per kilogramme in September, up from an average of US\$0.12 per kilogram in August. The current price level are marginally higher than in September last year that averaged US\$0.12 per kilogramme. This difference appears to be a reflection of a tighter maize supply situation in the current season. Meanwhile, the reduced production in central Mozambique continues to exert upward pressure on retail maize prices. On the Machipanda border, prices increased by 20% from US\$0.15 per kilogramme in August to US\$0.18 per kilogramme in September. The increase in the retail prices appear to be attracting an inflow of maize from Zimbabwe into Mozambique. This evident in Table 1, where maize inflows from Zimbabwe are shown to have increased from 9 MT in August to 29 MT in September. In general, the current trend of rising price across the board is expected at this time of the year, and generally reflects dwindling supplies as the lean season approaches.

Figures 3a, 3b and 3c: Retail maize prices in selected border points (US\$ cents per kg)



Formal exports

This section presents formal trade flows as reported by sources other than the Southern Africa Informal Cross Border Food Trade Monitoring System. During the month of September, Mozambique and Zimbabwe imported maize through formal channels while Malawi and South Africa made formal exports. According to the Southern Africa Grain Information Service (SAGIS), Mozambique and Zimbabwe imported 2,156 MT and 1,944 MT of white maize from South Africa respectively. This brings Mozambique’s total imports from South Africa to 17,653 MT since April, while the corresponding figure for Zimbabwe amount to and 3,115 MT.

Meanwhile, in a separate import programme, Malawi has a government to government contract to supply Zimbabwe with 400,000 MT of maize, of which 231,000 MT has been delivered at the end of September. In addition, the World Food Programme has between April and September contracted about 92,000 MT to be imported to Zimbabwe from Zambia (40,954 MT), Malawi (35,926 MT) and Mozambique (15,489 MT). For these contracts, 4,715 MT has been delivered from Zambia, 31,303 MT from Malawi, and 1,552 MT from Mozambique.

SAGIS estimated that the total formal export amongst the monitored countries was about 275,000 MT since the marketing year started; comparing this with the recorded level of informal trade of about 76,000 MT clearly shows that such trade makes a significant contribution to the movement of grain/commodities in the region.

Table 2. Informal cross border trade in rice (MT)

Source	Destination	Total 04/05 Season	Total 05/06 Season	Total 06/07 Season	Sept 06	Sept 07	Cumulative Apr-Sept 06/07	Cumulative Apr-Sept 07/08
Malawi	Zambia	1	31	74	2	300	2	470
Malawi	Mozambique	1	12	1	0	270	0	592
Malawi	Tanzania	450	135	1,217	79	116	796	847
Mozambique	Zimbabwe	58	399	850	68	67	265	465
Mozambique	Malawi	2,532	1,691	1,718	35	15	1,377	604
South Africa	Zimbabwe	0	64	82	1	3	9	16
Tanzania	Malawi	70	912	4	0	0	4	3
Tanzania	Zambia	547	641	557	67	31	268	236
Zambia	Zimbabwe	50	106	803	42	254	196	1,715
Zambia	Malawi	0	0	0	0	0	0	0
Zambia	DRC	12,644	12,629	1,697	101	113	277	739
Total Traded (MT)		16,355	16,620	7,003	395	1,169	3,194	5,687

Summary of trade in rice and beans

Tables 2 and 3 present summaries of trade flows in rice and beans. Trade in rice increased marginally, from 1,106 MT in August to 1,169 MT in September. Malawi exported the largest volume at 686 MT (300 MT to Zambia and 270 MT to Mozambique). Zambia came second with 367 MT (254 MT to Zimbabwe and 113 MT to DRC). So far, there has been more rice traded than last year. However, rice trade remains unpredictable and has shown no clear pattern over the past three seasons. Meanwhile, trade in beans increased three fold from 264 MT in August to 1,520 MT in September. Tanzania's exports to Malawi (646 MT) dominated the trade, accounting for 42% of captured trade.

Table 3. Informal cross border trade in beans (MT)

Source	Destination	Total 04/05 Season	Total 05/06 Season	Total 06/07 Season	Sept 06	Sept 07	Cumulative Apr-Sept 06/07	Cumulative Apr-Sept 07/08
Malawi	Zambia	2,997	2,741	2,798	232	248	1,996	1128
Malawi	Mozambique	30	19	268	34	0	215	174
Malawi	Tanzania	0	0	2	0	0	0	0
Mozambique	Zimbabwe	403	2,459	3,646	1	646	54	690
Mozambique	Malawi	67	4	8	1	1	3	5
South Africa	Zimbabwe	0	325	83	1	2	5	8
Tanzania	Malawi	12,019	8,231	2,422	126	302	740	1298
Tanzania	Zambia	509	472	588	25	118	282	672
Zambia	Zimbabwe	2	0	0	0	0	0	120
Zambia	Malawi	372	16	69	7	23	48	79
Zambia	DRC	417	76	269	0	180	17	244
Total Traded (MT)		16,816	14,343	10,153	427	1,520	3,360	4,418

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

Source	Destination	Jul-Sep-04	Oct-Dec-04	Jan-Mar 05	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
Tanzania	Zambia	796	1,921	982	3,699	397	7,685	4,201	1,273	13,556	318	751	2632	2,559	6,260
Zambia	Zimbabwe	2,662	5,628	4,816	13,106	86	13	21	62	182	3	0	1	295	299
Zambia	Malawi	484	913	760	2,157	34	36	349	-	419	58	249	45	26	378
Zambia	Tanzania	71	20	2	93	-	-	-	-	-	-	0	0	7	7
Malawi	Zambia	0	19	15	34	8	5	51	17	81	64	65	27	46	202
Zambia	DRC	256	3,054	5,008	8,318	2,477	1,641	531	33	4,682	992	956	3189	4,344	9,481
Mozambique	Malawi	33,358	20,433	17,438	71,229	29,064	26,866	8,981	6,307	71,218	27,479	27,069	15726	7,120	77,394
Malawi	Tanzania	315	226	96	637	103	174	358	309	944	2,358	451	55	64	2,928
Tanzania	Malawi	22	239	2,395	2,656	471	1,211	33,601	49,579	84,862	-	0	183	1,705	1,888
Mozambique	Zimbabwe	-	-	2	2	2	3	-	-	5	4	0	6	2,075	2,085
Mozambique	Zambia	-	-	-	-	5	24	20	-	49	5	111	811	342	1,269
Malawi	Mozambique	-	-	-	-	-	-	-	133	133	-	0	17	574	591
Zambia	Mozambique	-	-	-	-	-	-	-	55	55	2	0	0	0	2
Zimbabwe	Mozambique	-	-	-	-	-	-	-	85	85	15	43	147	89	294
South Africa	Zimbabwe	-	-	-	-	486	921	55	226	1,688	17	8	15	9	49
Total Traded (MT)		37,965	32,452	31,512	101,929	33,133	38,579	48,168	58,079	177,959	31,315	29,703	22854	19,255	103,127

Table 4: Informal Cross Border trade in Rice (MT)

Source	Destination	Jul-Sep-04	Oct-Dec-04	Jan-Mar-05	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
Tanzania	Zambia	360	151	36	547	99	184	172	178	641	100	168	165	124	557
Malawi	Tanzania	367	83	0	450	-	61	0	-	135	56	740	106	315	1,217
Tanzania	Malawi	0	0	70	70	3	4	108	797	912	4	0	0	0	4
Zambia	DRC	2786	4157	5701	12,644	6,164	5,661	690	114	12,629	46	231	1125	295	1,697
Zambia	Malawi	0	0	0	0	-	0	0	-	0	-	0	0	0	0
Malawi	Zambia	0	0	1	1	30	1	0	-	31	-	2	12	60	74
Zambia	Zimbabwe	16	16	18	50	15	16	34	41	106	55	141	76	531	803
Mozambique	Malawi	153	1853	526	2,532	1,456	0	152	83	1,691	222	1,155	275	66	1,718
Malawi	Mozambique	1	0	0	1	4	2	0	6	12	-	0	0	1	1
Mozambique	Zimbabwe	0	0	58	58	188	97	45	69	399	99	166	253	332	850
South Africa	Zimbabwe	0	0	0	0	21	19	9	15	64	6	3	67	6	82
Total Traded (MT)		3683	6260	6412	16,355	8,062	6,045	1,210	1,303	16,620	588	2,606	2079	1,730	7,003

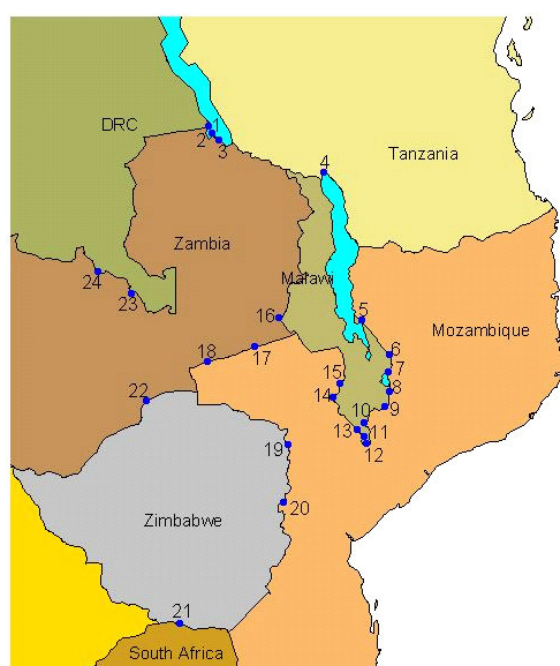
Annex I (continued)

Table 5: Informal cross border trade in beans (MT)

Source	Desti- nation	Jul- Sep-04	Oct- Dec- 04	Jan- Mar- 05	2004/0 5 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
Tanz	Zambia	262	179	68	509	99	223	87	63	472	128	154	73	233	588
Zambia	Tanz	0	0	0	0	-	0	0	-	0	-	0	2	0	2
Zambia	DRC	3215	3775	5029	12,019	3,593	3,740	843	55	8,231	390	350	1558	124	2,422
Malawi	Moz	391	1	25	417	14	29	5	28	76	15	2	0	252	269
Zambia	Zim	0	364	8	372	1	6	3	6	16	28	20	8	13	69
Moz	Malawi	1852	571	574	2,997	683	1,530	463	65	2,741	613	1,383	737	65	2,798
Malawi	Tanz	2	0	0	2	-	0	0	-	0	-	0	0	0	0
Moz	Zim	0	1	66	67	1	1	2	-	4	1	2	4	1	8
Malawi	Zambia	3	21	6	30	3	7	6	3	19	151	64	26	27	268
Tan	Malawi	67	246	90	403	18	68	1,134	1,239	2,459	-	54	2227	1,365	3,646
RSA	Zim	0	0	0	0	165	152	4	4	325	3	2	66	12	83
Total Traded (MT)		5792	5158	5866	16,816	4,577	5,756	2,547	1,463	14,343	1329	2,031	3,360	2,092	10,153

*UN World Food Programme Regional Bureau for Southern Africa, Johannesburg RSA and
FEWSNET Regional Office, Pretoria RSA*

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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