

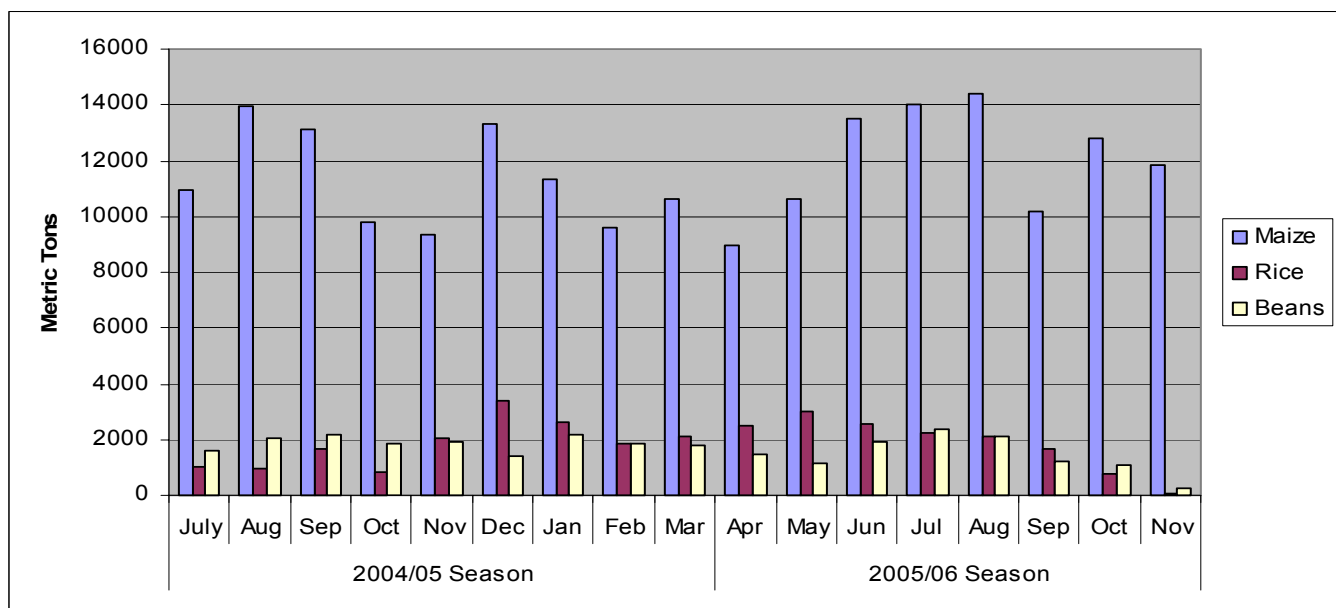
## HIGHLIGHTS

- *Volume of informal trade in maize, rice and beans declined by 17% between October and November.*
- *Informal maize exports from Tanzania continue to rise as exports from Mozambique decline*
- *Retail maize prices continue to rise as stocks dwindle across the region*

## OVERALL SUMMARY OF TRADE

The volume of informal cross border trade in maize, rice and beans captured by the Southern Africa informal cross border food trade monitoring system since the beginning of the marketing season in April has reached nearly 124,000 MT. Maize accounts for 78% of the trade captured while rice and beans account for 12 and 10 per cent of the trade respectively. On month on month comparison, the trade in November declined by 17% to 12,000 MT from 14,700 MT in October. Compared with November 2004, trade in maize, rice and beans dropped by 8% this November. The declining volumes are as anticipated due to dwindling stocks wrought by seasonal trends as well as poor harvest experienced in most of the monitored countries. It is normal for commodity stocks to decline as the season progresses towards the lean period (December to February). In addition, during the last crop growing season, prolonged dry spells caused poor harvests leading to cereal deficits in Malawi, Zambia, Zimbabwe and parts of Mozambique.

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

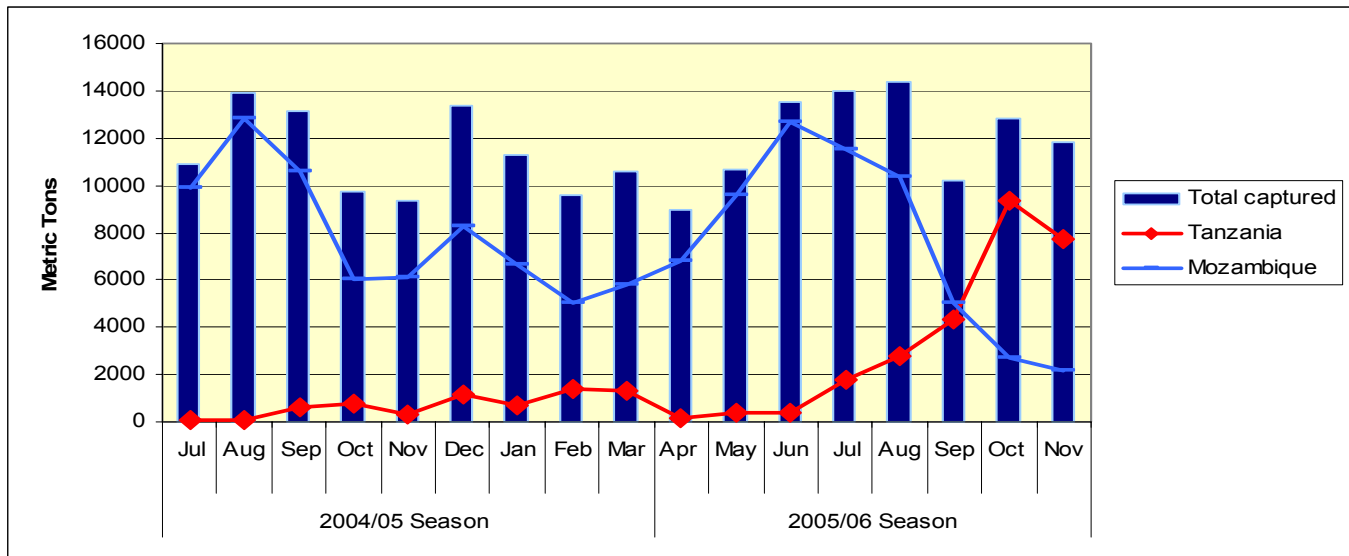


Source: FEWS NET and WFP Malawi and Technical Steering Committee (TSC)

## SUMMARY OF MAIZE TRADE FLOWS

Trade in maize remains largely driven by exports from Tanzania and Mozambique. And as indicated in Figure 2, Tanzania is the current major source of maize in the region, accounting for over 80% of the trade since October. Meanwhile, Mozambique's contribution to the trade continues to decline, dropping to almost 2,100 MT in November from nearly 5,000 MT in September and 2,700 MT in October 2005. In November 2004, Mozambique exported close to 6,000 MT followed by Zambia at 2,000 MT, while Tanzania came out third, exporting only 286 MT. While the trend of trade has changed, Malawi remains the major beneficiary of the trade. Maize flows into Malawi account for 67% of the trade captured in November 2004 and 85% of the trade this November.

**Figure 2: Total Informal Cross Border Maize Trade Captured and Informal Maize Trade from Tanzania and Mozambique**

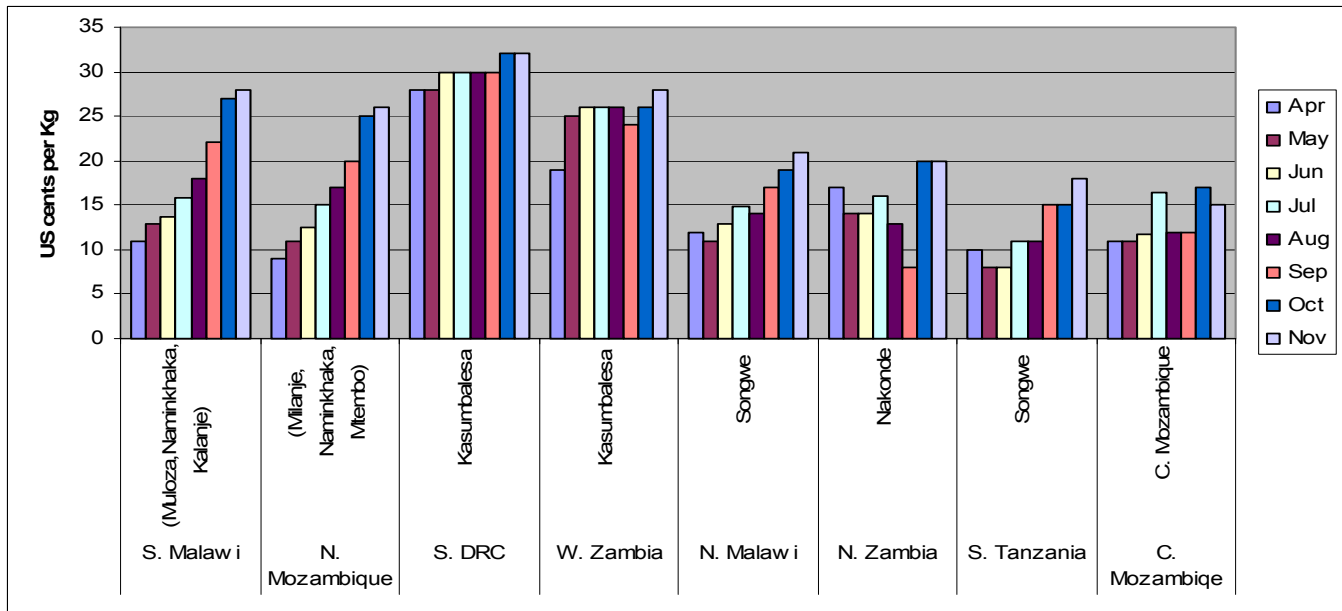


Source: FEWS NET and WFP Malawi; TSC

Price differentials (see Figure 3), which reflect the supply and demand situation of a country, are influencing the direction of flow of trade. During November, prices rose in all but one of selected border areas presented in Figure 3. The price increases ranged between 4 and 20 percentage points over prices recorded in October. The biggest maize retail price increase (20%) was registered in southern Tanzania. This increase is attributed to the high demand for maize from Malawi. As a reflection of this demand, prices in northern **Malawi** rose by 11% during the same period, from \$0.19 per kilogram in October to \$0.21 in November. In view of the dwindling supplies from Mozambique, Malawi's traditional source of informal maize exports, Malawian traders have switched en masse to southern Tanzania for maize supplies. Meanwhile, retail maize prices at the border area between Zambia and DRC remain the highest at \$0.32 per kilogram on the DRC side, highlighting southern DRC's reliance on Zambia for maize supplies.

Prices in central **Mozambique** dropped by 12% from \$0.17 per kilogram in October to \$0.15 per kilogram in November. The drop could be due to some leakage of maize stocks from the Zimbabwe commercial import programme. According to unconfirmed reports from Zimbabwe, a smuggling racket is re-exporting some of the formal maize imports by Zimbabwe into Mozambique. Meanwhile, retail maize prices are expected to continue increasing over the next few months until the next harvests beginning in March 2006.

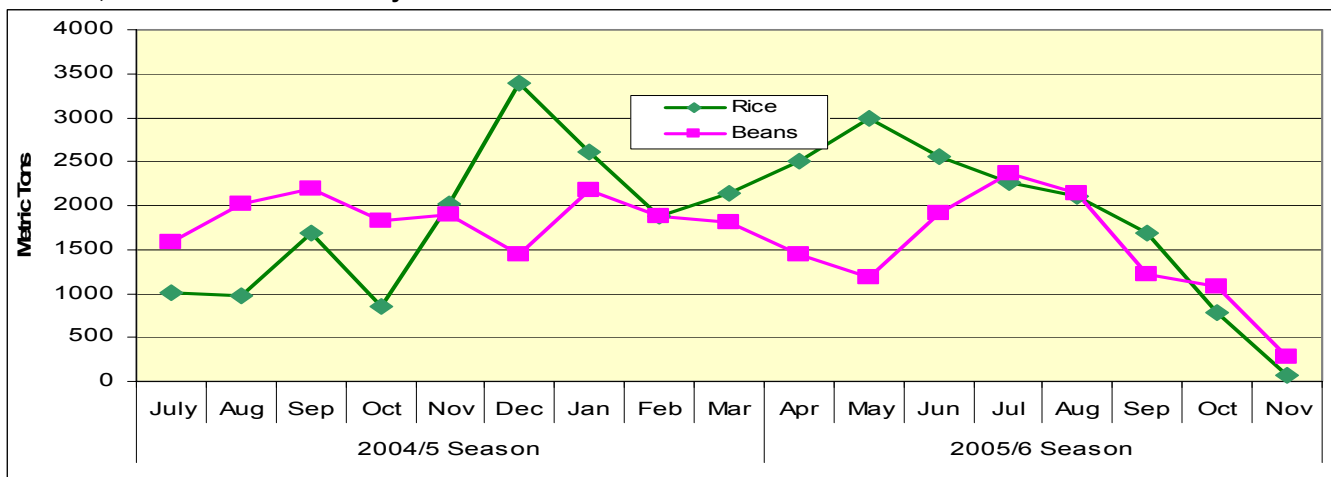
Figure 3: Average Retail Prices Around Selected Border Points



Source: FEWS NET and WFP Malawi; TSC

### SUMMARY OF RICE AND BEAN TRADE

Figure 4: Recorded Informal Cross Border Trade in Rice and Beans in DRC, Malawi, Mozambique, South Africa, Tanzania, Zambia and Zimbabwe by Month



The trade in rice and beans is summarized in Figure 4. Trade in both commodities continued to decline between October and November. Rice trade has been on a downward trend since May while bean trade increased between May and July soon after harvest. Bean trade is expected to remain low until the new crop is harvested next year. Rice trade, on the other hand, may pick up once traders exhaust existing stocks since it is predominantly sourced from outside the region. Another factor contributing to the reduced trade in rice is that Malawi, as one of the major importers had an above average harvest last season.

## ANNEX 1: TRADE TABLES

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

Source	Destination	2004/05 Season										2005/06 Season									
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total	
Tanzania	Zambia	91	115	590	714	225	982	441	454	87	<b>3,698</b>	15	123	259	1,779	2,807	3,099	1,767	1,556	<b>11,405</b>	
Zambia	Zimbabwe	617	636	1,409	2,242	1,400	1,986	1,624	1,764	1,428	<b>13,106</b>	84	0	2	3	2	8	12	6	<b>117</b>	
Zambia	Malawi	146	185	153	144	114	655	691	43	26	<b>2,156</b>	8	9	17	6	7	23	16	331	<b>417</b>	
Zambia	Tanzania	0	54	17	4	10	6	1	0	1	<b>93</b>	0	0	0	0	0	0	0	0	<b>0</b>	
Malawi	Zambia	0	0	0	1	13	5	8	3	4	<b>33</b>	2	3	3	2	0	3	0	12	<b>25</b>	
Zambia	DRC	96	0	160	495	1,333	1,226	1,596	1,345	2,067	<b>8,318</b>	1,893	329	255	185	741	715	371	80	<b>4,569</b>	
Mozambique	Malawi	9,918	12,818	10,622	6,046	6,115	8,272	6,613	5,056	5,769	<b>71,229</b>	6,829	9,576	12,659	11,515	10,353	4,998	2,673	2,136	<b>60,739</b>	
Malawi	Tanzania	59	121	135	108	55	63	40	34	22	<b>637</b>	33	0	70	104	42	28	322	13	<b>612</b>	
Tanzania	Malawi	0	0	22	21	72	146	293	900	1,202	<b>2,655</b>	108	256	107	0	5	1,206	7,600	7,663	<b>16,945</b>	
Mozambique	Zimbabwe	-	-	-	-	-	-	-	2	0	<b>2</b>	0	0	2	2	1	0	0	0	<b>5</b>	
Mozambique	Zambia	-	-	-	-	-	-	-	-	-	-	-	2	3	1	20	3	3	1	<b>33</b>	
South Africa	Zimbabwe	-	-	-	-	-	-	-	-	-	-	-	352	134	390	409	122	39	14	<b>1,460</b>	
<b>Total Traded (MT)</b>		<b>10,927</b>	<b>13,930</b>	<b>13,108</b>	<b>9,774</b>	<b>9,337</b>	<b>13,341</b>	<b>11,306</b>	<b>9,600</b>	<b>10,606</b>	<b>101,928</b>	<b>8,972</b>	<b>10,650</b>	<b>13,511</b>	<b>13,987</b>	<b>14,387</b>	<b>10,205</b>	<b>12,803</b>	<b>11,812</b>	<b>96,327</b>	

**Table 2: Informal Cross Border Trade in Rice (MT)**

Source	Destination	2004/05 Season										2005/06 Season									
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total	
Tanzania	Zambia	94	173	93	69	58	24	8	7	21	<b>468</b>	3	53	51	64	60	60	45	49	<b>385</b>	
Malawi	Tanzania	59	174	134	36	30	17	0	0	0	<b>451</b>	0	33	41	41	20	0	0	0	<b>135</b>	
Tanzania	Malawi	0	0	0	0	0	0	0	58	12	<b>435</b>	1	0	2	4	0	0	0	0	<b>7</b>	
Zambia	DRC	775	583	1,428	724	1,524	1,909	2,449	1,369	1,883	<b>12,183</b>	1,975	1,865	2,324	2,064	2,014	1,583	690	0	<b>12,515</b>	
Zambia	Malawi	0	0	0	0	0	0	0	0	0	<b>64</b>	0	0	0	0	0	0	0	0	<b>0</b>	
Malawi	Zambia	0	0	0	0	0	0	0	1	0	<b>29</b>	30	0	0	1	0	0	0	0	<b>31</b>	
Zambia	Zimbabwe	3	2	11	3	4	9	7	0	11	<b>12</b>	5	4	6	6	4	6	13	5	<b>49</b>	
Mozambique	Malawi	80	46	27	14	407	1,432	149	226	151	<b>3,347</b>	453	1,000	3	0	0	0	2	0	<b>1,458</b>	
Malawi	Mozambique	0	1	0	0	0	0	0	0	0	<b>392</b>	0	0	4	2	0	0	0	0	<b>6</b>	
Mozambique	Zimbabwe	-	-	-	-	-	-	-	2	58	<b>61</b>	34	25	129	72	0	25	29	16	<b>330</b>	
South Africa	Zimbabwe	-	-	-	-	-	-	-	-	-	-	-	17	4	8	6	5	4	3	<b>47</b>	
<b>Total Traded (MT)</b>		<b>1,011</b>	<b>979</b>	<b>1,693</b>	<b>846</b>	<b>2,023</b>	<b>3,391</b>	<b>2,613</b>	<b>1,663</b>	<b>2,136</b>	<b>16,356</b>	<b>2,501</b>	<b>2,997</b>	<b>2,564</b>	<b>2,262</b>	<b>2,104</b>	<b>1,679</b>	<b>783</b>	<b>73</b>	<b>14,963</b>	

**Table 3: Informal Cross Border Trade in Beans (MT)**

		2004/05 Season										2005/06 Season									
Source	Destination	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Total	
Tanzania	Zambia	20	76	166	164	14	1	1	61	6	509	0	57	42	28	64	131	33	54	442	
Zambia	Tanzania	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	9,019	
Malawi	Mozambique	1	330	60	0	0	1	1	2	22	417	0	5	9	16	7	6	0	5	48	
Zambia	Zimbabwe	0	0	0	0	364	0	0	8	0	372	0	0	1	2	1	3	1	1	10	
Mozambique	Malawi	714	633	505	315	0	256	183	177	214	2,997	131	144	408	663	576	291	201	181	2,796	
Malawi	Tanzania	0	2	0	0	0	0		0	0	2	0	0	0	0	0	0	0	0	0	
Mozambique	Zimbabwe	-	-	-	-	-	1	0	65	1	67	0	1	0	0	0	1	1	1	1	
Malawi	Zambia	0	1	2	9	4	8	3	-	3	30	0	1	2	5	0	2	4	2	20	
Tanzania	Malawi	5	33	29	129	68	49	52	25	13	403	0	0	18	14	33	21	0	30	116	
South Africa	Zimbabwe	-	-	-	-	-	-	-	-	-	0	-	162	3	120	29	3	3	1	324	
<b>Total Traded (MT)</b>		<b>1,584</b>	<b>2,021</b>	<b>2,187</b>	<b>1,828</b>	<b>1,890</b>	<b>1,440</b>	<b>2,182</b>	<b>1,883</b>	<b>1,801</b>	<b>16,816</b>	<b>1,451</b>	<b>1,214</b>	<b>1,912</b>	<b>2,398</b>	<b>2,141</b>	<b>1,217</b>	<b>1,086</b>	<b>275</b>	<b>12,777</b>	

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: [pmldadla@fewnet.net](mailto:pmldadla@fewnet.net), [simon.dradri@wfp.org](mailto:simon.dradri@wfp.org); [eric.kenefick@wfp.org](mailto:eric.kenefick@wfp.org);