



Informal Cross Border Food Trade in Southern Africa

Monthly Highlights:

- A total of 137,102 MT of maize, rice and beans were captured by the monitoring system in the 2007/08 marketing season, up by 14 percent from the 120,283 MT traded in the previous season. All the three commodities registered increases compared to the previous season with the highest increase registered in rice.
- Mozambique, Zambia and Tanzania recorded the highest export volumes though Mozambican supplies of each of the three commodities dropped in the 2007/08 season dropped compared to the previous season.
- Nominal average maize prices significantly increased during the hunger period (January to March) in the 2007/08 season compared to the same period in the previous season when the prices were generally stable.

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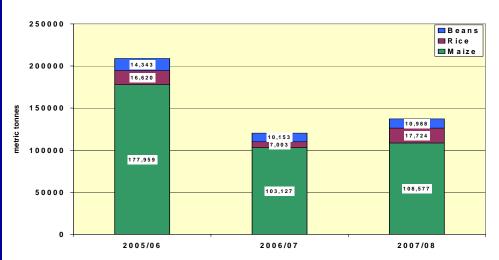
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Figure 1: Comparison of informal trade volumes amongst the monitored countries over the period April—March: 2005/06, 2006/07 and 2007/08 marketing seasons



March 31st 2008 marked the end of the 2007/08 marketing season. This report therefore provides a summary of trade flows in March 2008 as well as over the 2007/08 marketing season. A total of about 9,025 MT of maize, rice and beans were recorded by the Southern Africa informal cross border food trade monitoring system in March 2008, representing a 36 percent increase from the 6,620 MT recorded in February. The increase is attributed to the onset of the harvesting season which resulted in an improvement in the supplies of the various commodities. Cumulatively, a total of 137,102 MT of maize, rice, and beans were traded from the start of the marketing season in April 2007 to end of the season in March 2008. This represents about 14 percent increase over the 120,283 MT traded during the same period in the previous season. The increase in the total volume of trade is attributed to an overall increase in production of these crops in some of the monitored countries such as Zambia and Malawi, coupled with a relaxation of maize export controls. Although the current figures show that the overall volume of trade has increased by 14 percent over last season, the volumes traded in the last two seasons are significantly lower than during the 2005/06 marketing season. Figure 1 compares the total volumes of maize, rice and beans captured by the monitoring system in the past three seasons. In 2005/06, many countries in the region experienced food deficits while in the last two seasons it has been the reverse. This emphasizes the importance of informal crossborder food trade in addressing food shortages within the region. As shown in this graph, the trade continues to be dominated by maize, the main staple food. Out of the total volume traded in the 2007/08 marketing season, over 79 percent was maize, rice made up 13 percent with beans making up the remaining 8 percent.



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 man-

aged by the TSC. Address comments/suggestions to the following e-mail addresses: pmdladla@fews.net, echapasuka@fews.net; echapasuka@fews.net; echapasuka@echapasu

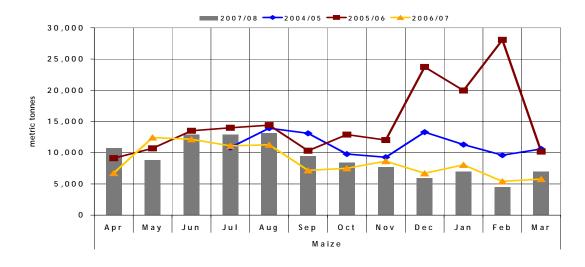
Summary of maize trade flows

Maize trade volumes in March 2008 amounted to 6,943 MT, representing an increase of about 55 percent from the trade recorded last month. The increase is attributed to early harvests in some parts of the region resulting in improved maize supplies. Cumulative amount of maize traded informally in the 2007/08 marketing season amounted to 108,577 MT, up by about 5 percent from the 103,127 MT traded last season. The monthly maize import trends (shown in figure 2) appear to be similar for the past four seasons with the exception of the second half of 2005/06 where maize trade peaked instead of declining because of the serious food deficits experienced during that time in the 2005/06 marketing season. Generally the trends show that maize trade peaks around June to August which is around harvest time in the monitored countries, after which it slowly declines due to dwindling supplies as traders and households deplete their maize stocks through sales and household consumption. The volumes pick up again in March as early harvests reach the market.

Table 1: Informal cross border maize trade by source and destination country (MT)

Source	Destination	Total 04/05	Total 05/06	Total 06/07	Mar 07	Mar 08	Cumulative Apr-Mar	Cumulative Apr-Mar
Malawi	Mozambique	0	133	591	83	0	591	3,755
Malawi	Tanzania	637	944	2,928	17	0	2,928	1,581
Malawi	Zambia	34	81	202	19	15	202	1,779
Mozambique	Malawi	71,229	71,218	77,394	2,149	3,592	77,394	56,078
Mozambique	Zambia	0	49	1,269	91	26	1,269	2,113
Mozambique	Zimbabwe	2	5	2,085	5	2	2,085	11
South Africa	Zimbabwe	0	1,688	49	3	4	49	47
Tanzania	Malawi	2,656	84,862	1,888	173	749	1,888	1,073
Tanzania	Zambia	3,699	13,556	6,260	522	76	6,260	4,980
Zambia	DRC	8,318	4,682	9,481	2,554	815	9,481	33,424
Zambia	Malawi	2,157	419	378	3	1,624	378	2,500
Zambia	Mozambique	0	55	2	0	0	2	0
Zambia	Tanzania	93	0	7	1	0	7	4
Zambia	Zimbabwe	13,106	182	299	150	0	299	433
Zimbabwe	Mozambique	0	85	294	0	4	294	129
Zimbabwe	Zambia	-	-	-	-	31	-	166
Total Tr	aded (MT)	101,929	177,959	103,127	5,782	6,943	103,127	108,679

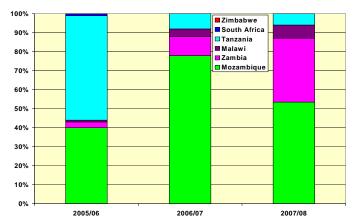
Figure 2: Recorded Volumes of Informal Cross Border Maize Trade-2004/05 to 2007/08



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Exports: About 54 percent of maize exports captured in 2007/08 came from Mozambique. This was followed by Zambia with 33 percent, Malawi (7 percent) and Tanzania (6 percent). Informal exports by South Africa and Zimbabwe to the monitored countries were insignificant. However, both the Mozambican share and volume of maize exports decreased in the 2007/08 marketing season compared to the previous season. In 2006/07, Mozambique exported 80,748 MT which accounted for 78 percent of total exports compared to 58,202 MT and 54 percent share of exports this season. The drop in Mozambique's share is attributed to decreases in import demand by Malawi (the main export market for Mozambican maize) which was occasioned by the two successive bumper harvests Malawi has had in the last two agricultural seasons. In addition, some parts of central and southern Mozambique had a poor harvest which resulted in increased domestic market demand for the Mozambican maize. Zambia on the other hand, recorded more than threefold increase in maize exports: from 10,167 MT in 2006/07 to 36,361 MT in the 2007/08 marketing season. Her share of exports also increased from 10 percent to 33 percent in the same period. Figure 3 shows a comparison of each country's share of maize exports from 2005/06 to 2007/08. As already mentioned, many countries in the region experienced food short-

Figure 3: Comparison of informal trade volume shares of exports over the period April—March: 2005/06, 2006/07 and 2007/08 marketing seasons



ages in 2005/06, and as shown in figure 3, most of the maize that was exported during that season came from Tanzania. Malawi and Zambia are the only countries that recorded increases in maize exports between 2006/07 and 2007/08. Malawi's maize exports doubled from 3,721 MT to 7,721 MT. Table 1 provides details of the maize exports by source and destination.

Imports: Malawi still leads in terms of maize imports through informal cross-border trade. Total 2007/08 maize imports by Malawi amounted to 59,651 MT; accounting for the largest share of about 55 percent. However both the volume and share have dropped compared to 79,660 MT and 77 percent share in the previous season. The drop is attributed to the recent past two successful harvests in Malawi that reduced the demand for maize imports. Although DRC has maintained her second position in terms of informal maize imports, both her volume and share have increased tremendously when compared to last year. The volume has increased from 9,481 MT to 33,724 MT and the share from 9 percent to 31 percent. Almost all the maize imports by DRC came from Zambia.

Formal maize imports and exports

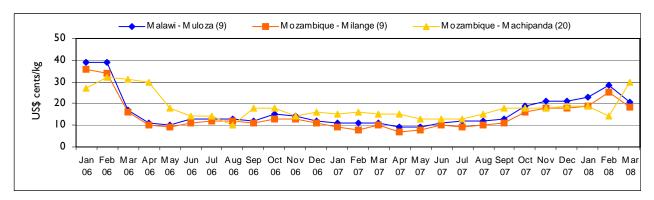
This section presents formal trade flows in an attempt to provide a comprehensive picture of trade flows (both formal and informal) among the monitored countries. Available formal maize trade data is sourced from official sources in each country as well as from the South African Grain Information Service (SAGIS), which provides weekly data on South Africa's imports and exports of grain. In the months from April 2007 to March 2008, among the monitored countries, Mozambique and Zimbabwe received formal maize imports, while Malawi, South Africa, Tanzania and Zambia made formal maize exports. According to SAGIS, Mozambique imported 43,618 MT of white maize from South Africa, while Zimbabwe's total white maize imports from South Africa since April amounted to 21,973 MT. In terms of formal exports, statistics from Malawi's National Food Reserve Agency indicate that the country officially exported about 302,000 MT of maize to Zimbabwe during the 2007/08 marketing season. In addition WFP Malawi also exported over 30,000 MT of maize to Zimbabwe. The Food Reserve Agency of Zambia exported about 270,000 MT of maize to Zimbabwe and other neighboring countries. Zambia's official maize exports should be well over 300,000 MT if official exports from other sources (private traders) are included; but these were not available at the time this report was compiled. Although Zimbabwe's informal maize imports were small, its official maize imports from Malawi and Zambia were quite significant. SAGIS data indicates 2007/08 formal maize exports by Tanzania to South Africa amounting to 3,528 MT.

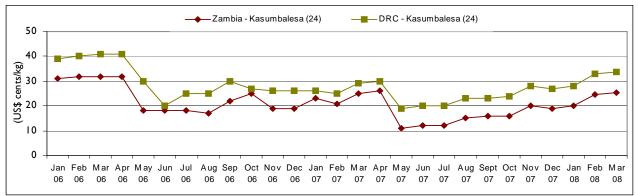
Maize price trends at selected border points

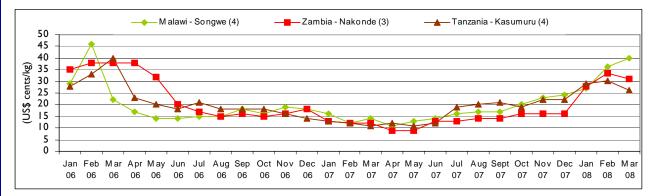
Price observations on markets along the borders of in the monitored countries show that trends do not always follow the same pattern as observed on other markets further inland. In general, prices have been increasing sharply in most markets over the last 3 months, which contrasts with the observed prices along some of the border points where price declines have been recorded. Most border points between Malawi and Mozambique registered nominal price decreases in March compared to February 2008 while in the other monitored countries the majority of the border points continued to register maize price increases. The early planted crop in the southern region of Malawi where the border points between Malawi and Mozambique are concentrated was ready for harvesting in March thereby improving the maize supplies and consequently pushing down average maize prices there. In addition, the shortage of maize in ADMARC markets and exorbitant maize prices in the local markets at the peak of the hunger season in January and February, forced some farmers to start harvesting a bit early in March instead of the normal mid to end April. Overall, average nominal maize prices in March ranged from an equivalent of US\$0.08/kg on the Mozambican side of Kolowiko border with Malawi (around Nyasa province) to US\$0.39/kg on the Malawian side of Songwe border with Tanzania. Songwe border is one of the only two border points in Malawi that continued to register maize price increases. Maize flows across Songwe border changed direction in February from Malawi to Tanzania to vice versa. In terms of price changes between February and March, the Mozambican side of Cuchamano border with Zimbabwe registered the highest increase of 100 percent. The maize price in this area doubled from US\$0.14/kg to US\$0.28/kg. The biggest decrease on the other hand was registered on the Mozambican side of Naminkhaka border with Malawi. The maize price in this area dropped 55 percent from US\$0.20/kg to US\$0.09/kg.

The local maize prices are converted to USD\$ equivalent for ease of comparison. Figures 4a b and c show maize price trends in selected border points.

Figures 4a, 4b and 4c: Retail maize prices in selected border points (US\$ cents per kg)







Summary of rice trade flows

The volume of rice trade increased by 16 percent from 1,368 MT in February to 1,587 MT in March 2008. Volumes traded in the 2007/08 season peaked in December, declined in January and February and started to rise again in March. This appears to be the general trend in rice trade especially in the second half of the season as shown in figure 5 which compares the trends in rice trade for the past 4 marketing seasons. Cumulative rice traded in the 2007/08 marketing season amounted to 17,434 MT, more than double (149 percent increase) the 7,003 MT traded in the previous season.

Exports: Zambia's rice exports, which accounted for 58 percent of total rice trade more than quadrupled from 2,500 MT in 2006/07 to 10,092 MT in 2007/08. Rice exports by Zambia and Mozambique were almost the same last season (2006/07) with Mozambique accounting for 37 percent while Zambia accounted for 36 percent. There has therefore been a tremendous increase in Zambia's share of rice exports while Mozambique's share has significantly decreased to 8 percent in the 2007/08 season. The decrease in Mozambique's share is attributed to the 43 percent drop in the volume of its rice exports from 2,568 MT in 2006/07 to 1,472 MT in 2007/08 marketing season. Zambia and Malawi are the only two countries that have experienced increases in volumes of rice exports over the past two seasons.

Imports: DRC accounted for the largest share (39 percent) of all rice imports in 2007/08 with import volumes amounting to 6,746 MT in the 2007/08 marketing season. All the rice imports by DRC were from Zambia. Zimbabwe had the next largest share at 27 percent, Zambia (17 percent), Tanzania (9 percent), Mozambique (5 percent) and Malawi (3 percent). Malawi's share of rice imports significantly dropped from being one of the highest (25 percent) in the 2006/07 season to only 3 percent in the 2007/08 marketing season. Malawi is the only country whose volume of rice imports has dropped in the past two seasons; dropping by 67 percent from 1,722 MT to 574 MT between the 2006/07 and 2007/08 marketing seasons respectively. Table 2 provides details of the rice trade.

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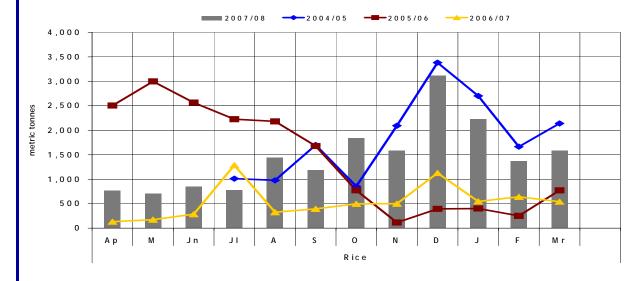
Table 2. Informal cross border rice trade by source and destination country (MT)

Source	Destination	Total 04/05 Season	Total 05/06 Season	Total 06/07 Season	Mar 07	Mar 08	Cumulative Apr-Mar 06/07	Cumulative Apr-Mar 07/08
Malawi	Mozambique	1	12	1	0	0	1	822
Malawi	Tanzania	450	135	1,217	76	3	1,217	1,568
Malawi	Zambia	1	31	74	30	120	74	2,360
Malawi	Zimbabwe	-	-	-	-	0	-	405
Mozambique	Malawi	2532	1,691	1,718	17	12	1,718	444
Mozambique	Zimbabwe	58	399	850	87	95	850	1,028
South Africa	Zimbabwe	0	64	82	2	3	82	33
Tanzania	Malawi	70	912	4	0	100	4	100
Tanzania	Zambia	547	641	557	61	25	557	397
Zambia	DRC	12644	12,629	1,697	113	1014	1,697	6,746
Zambia	Malawi	0	0	0	0	30	0	30
Zambia	Zimbabwe	50	106	803	156	0	803	3,312
Total Tr	raded (MT)	16,355	16,620	7,003	542	1,587	7,003	17,434

Prices: The few data points where rice price data was available show that rice prices in March 2008 ranged from US\$0.61/kg on the Mozambican side of Marka border with Malawi to US\$2.14/kg on the Zambia side of Mchinji border with Malawi. The rice price generally continued to rise in March except on the Malawian and Mozambican sides of Marka border where prices dropped by 15 percent and 13 percent respectively. The drop is due to the decrease in market demand for rice as households begin to depend on own-produced rice from the current season for food.

Official rice trade: The monitoring system also captured 3,120 MT of official rice exports from Zimbabwe to Zambia in March 2008. According to the available data, the system captured a total of 8,140 MT of official rice exports from Zimbabwe to Zambia since October 2007.

Figure 5: Recorded Volumes of Informal Cross Border Rice Trade -2004/05 to 2007/08



Summary of bean trade flows

The volume of bean trade dropped by 36 percent from 772 MT in February to 495 MT in March 2008. The volumes of beans traded in the 2007/08 marketing season peaked around September/October and thereafter dropped significantly as shown in figure 6. There is no clear pattern of bean trade trends as shown in figure 6. Cumulative volume of beans traded in 2007/08 amounted to 10,988 MT, up by 8 percent compared to the 10,153 MT traded in the previous season.

Table 3. Informal cross border bean trade by source and destination country (MT)

Source	Destination	Total 04/05 Season	Total 05/06 Season	Total 06/07 Season	Mar 07	Mar 08	Cumulative Apr-Mar 06/07	Cumulative Apr-Mar 07/08
Malawi	Mozambique	417	76	269	8	12	269	149
Malawi	Tanzania	2	0	0	0	0	0	169
Malawi	Zambia	30	19	268	10	1	268	338
Malawi	Zimbabwe	-	-	-	-	0	-	480
Mozambique	Malawi	2,997	2,741	2,798	10	84	2,798	2,375
Mozambique	Zimbabwe	67	4	8	0	.4	8	13
South Africa	Zimbabwe	0	325	83	1	0	83	11
Tanzania	Malawi	403	2,459	3,646	74	82	3646	3,468
Tanzania	Zambia	509	472	588	57	221	588	1,058
Zambia	DRC	12,019	8,231	2,422	64	86	2,422	2,487
Zambia	Tanzania	0	0	2	0	0	2	0
Zambia	Zimbabwe	372	16	69	8	8	69	170
Total Tr	raded (MT)	16,816	14,343	10,153	232	495	10,153	10,988

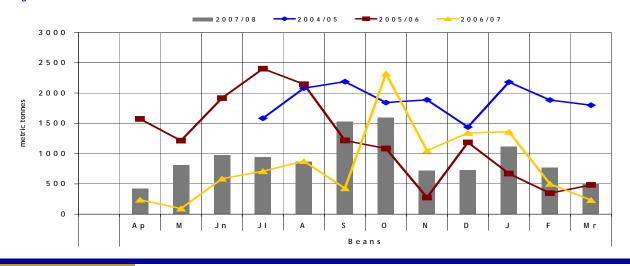
Exports: Tanzania accounted for 41 percent of total bean exports thereby maintaining her lead as the main supplier of informally traded beans among the monitored countries. Last season, Tanzania's bean exports made up 42 percent of total trade. Malawi and Mozambique are the only countries that have experienced significant changes in their export shares: Malawi's share increased from 5 percent to 13 percent while Mozambique's share dropped from 28 percent to 22 percent.

Imports: Malawi, with a share of 53 percent of bean imports in 2007/08 remains the largest importer of informally traded beans. However her share of imports has dropped from 63 percent in 2006/07, while the volume also dropped by 9 percent from 6,444 MT to 5,843 MT. This is attributed to favourable bean production in the country. About 59 percent of the beans imported by Malawi came from Tanzania and the remaining 41 percent from Mozambique. DRC is the second largest importer accounting for 23 percent of all the recorded bean imports in the 2007/08 marketing season. All the beans imported by DRC came from Zambia.

Prices: Bean prices in March 2008 ranged from US\$0.50 on the Mozambican side of Kalanje border between Malawi and Mozambique to US\$1.00/kg at Zombe border in Zambia. The prices generally continued to rise in March except across Kalanje border where on average, prices dropped by 13 percent and 12 percent on the Mozambican and Malawian sides of the border respectively.

Official bean trade: A total of 50.5 MT of official beans exports from Tanzania to Zambia was captured by the monitoring system from January to March 2008. The system captured 180 MT of beans imports from South Africa to Malawi imported by the Catholic Relief Services (CRS) for their programmes in the country. In addition the system also captured 7 MT of official exports from Malawi to Mozambique by some NGOs for their programmes across the border in Mozambique.

Figure 6: Recorded Volumes of Informal Cross Border Bean Trade



Annex 1: Trade Tables

Table 4 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	962	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	98	13	21	62	182	3	0	~	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	∞	2	51	17	81	64	99	27	46	202
Zambia	DRC	256	3,054	5,008	8,318	2,477	1,641	531	33	4,682	992	926	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	22	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	,	٠	2	2	2	3	•	1	2	4	0	9	2,075	2,085
Mozambique	Zambia	,	٠	1	•	2	24	20	1	49	2	111	811	342	1,269
Malawi	Mozambique	•	1	•	1	٠	•	•	133	133	1	0	17	574	591
Zambia	Mozambique	•	1	1	1	٠	•	•	52	22	2	0	0	0	2
Zimbabwe	Mozambique	,	•	ı	•	•	1	'	82	85	15	43	147	86	294
South Africa	Zimbabwe	1	•	1	•	486	921	52	226	1,688	17	∞	15	6	49
Total Traded (MT)	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 5: Info	Table 5: Informal Cross Border trade in Rice (MT)	order trade	in Rice (A	(TI)											
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- J Jun 06	Jul-Oct 06 D	Oct- Dec 06	Jan- Mar 07	2006/07 Season
Tanzania	Zambia	360	151	36	547	66	184	172	178	641	100	168	165	124	222
Malawi	Tanzania	367	83	0	450	1	61	0	1	135	26	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	069	114	12,629	46	231	1125	295	1,697
Zambia	Malawi	0	0	0	0	1	0	0	1	0	1	0	0	0	0
Malawi	Zambia	0	0	-	_	30	_	0		31		2	12	09	74
Zambia	Zimbabwe	16	16	18	20	15	16	34	41	106	52	141	9/	531	803
Mozambique	Malawi	153	1853	526	2,532	1,456	0	152	83	1,691	222	1,155	275	99	1,718
Malawi	Mozambique	-	0	0	-	4	2	0	9	12		0	0	-	_
Mozambique	Zimbabwe	0	0	28	28	188	46	45	69	399	66	166	253	332	820
South Africa	Zimbabwe	0	0	0	0	21	19	6	15	64	9	က	19	9	82
Total Traded (MT)	(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 6: 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 Tra	nded (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 FEWS NET Regional Office, Pretoria RSA

Cross - Border Monitoring Sites, 2007



NAME OF BORDER

1.Mulungu / Kigoma 2.Zombe / Kasesya

3.Nakonde / Tunduma 15.Mwanza 4.Songwe / Kasumuru

5.Kalanje

6.Nayuchi

7.Naminkhakha 8.Kolowikho

9.Muloza 10.Sankhulani

11.Tengani 12.Marka

13.Marine

14.Mkumaniza

16.Mchinji

17.Marowela

18.Chadiza

19.Nyamapanda

20.Machipanda

21.Messina / Beitbridge

22.Chirundu

23.Mokambo 24.Kasumbalesa

For more information see: www.fews.net