

# Informal Cross Border Food Trade in Southern Africa

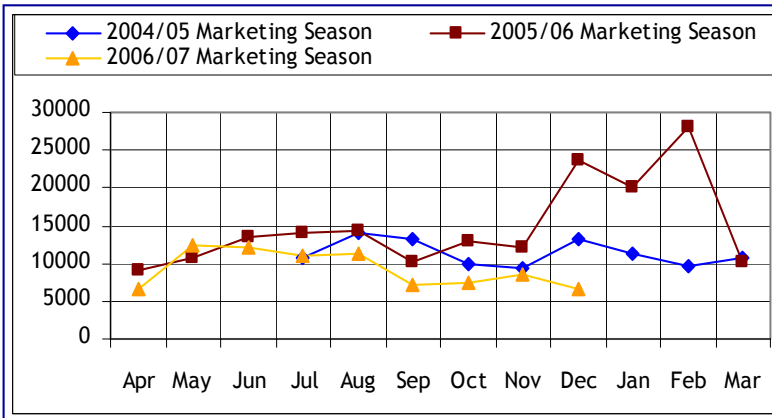
Monthly Highlights:

- *Decreased demand for maize imports in Malawi and Zambia due to above normal harvests in those countries had reduced Tanzania's informal maize exports to the two countries.*
- *Malawi biggest beneficiary of informal cross border trade in maize and beans so far this marketing season.*
- *Retail maize prices at most selected border points remain stable.*

## Overall summary of trade flows

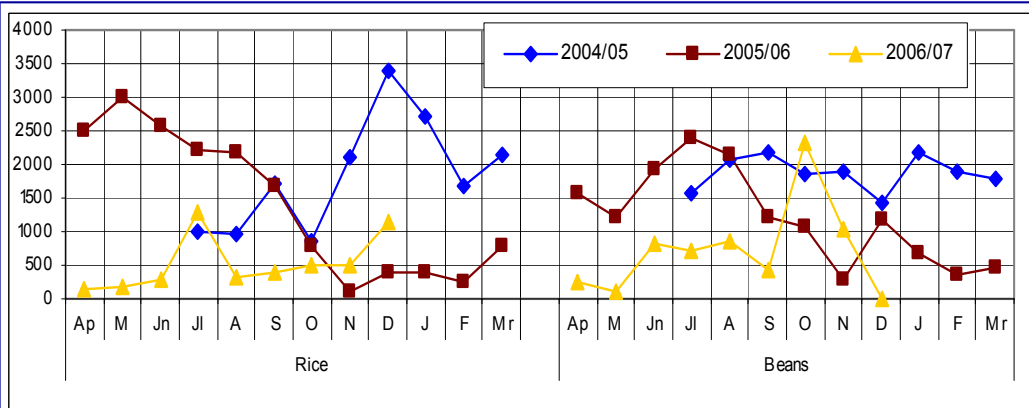
The volume of informal trade in maize captured among the six countries of Malawi, Mozambique, Tanzania, Zambia, Zimbabwe and the DRC in December (6,700 MT) is 72% below the 23,600 MT captured at the same time last year. This volume is one of the lowest recorded since the monitoring system began in July 2004.

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



In general (See Figure 1), the 2006/07 marketing season has registered the lowest volumes of informal maize trade in the three seasons that the monitoring has been in place. This is a reflection of the above normal cereal production in the major importing countries of Malawi and Zambia last growing season. Both countries had their biggest cereal productions in many years. Although Zimbabwe registered another cereal deficit in the past season, the country does not really benefit from informal trade because of its stringent import regime. Trade in rice has been steadily increasing since August while trade in beans has been erratic (See Figure 2). The volume of rice trade since April is close to 5,200 MT, 66% down on the same period last year. The volume of beans traded between April and December stands at 8,100 MT, and is 37% below the level recorded over the same time period last season.

Figure 2: Recorded Informal Cross Border Food Trade in Rice & Beans DRC, Malawi, Mozambique, South Africa Tanzania, Zambia & Zimbabwe



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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 at WFP Malawi, while the rest of the borders are managed by the TSC. Address comments/suggestions to the following e-mail addresses: [pmladla@fews.net](mailto:pmladla@fews.net), [simon.dradri@wfp.org](mailto:simon.dradri@wfp.org); [eric.kenefick@wfp.org](mailto:eric.kenefick@wfp.org)

## Summary of maize trade flows

The improved cereal production in Malawi has changed maize trade dynamics and direction of flow with respect to informal exports from Tanzania. Between April and December this marketing season, Tanzania has only informally exported close to 3,900 MT of maize (3,700 MT to Zambia and 183 MT to Malawi) compared to nearly 48,000 MT exported over the same time period last year (35,300 MT to Malawi and 12,300 MT to Zambia). So far in the marketing season, Tanzania is a net importer of cereals from Malawi, importing close to 2,900 MT while exporting only 183 MT. However, Tanzania's exports to Zambia continue to rise and have quadrupled between September and December (See Table 1). However, trade between Mozambique and Malawi has remained relatively high. The lack of internal markets in northern Mozambique and perennial deficit production in southern Malawi coupled with the huge demand for maize due to the high population density in that region are the major driving factors in that trade. Between April and December, Mozambique exported close 70,200 MT of maize to Malawi compared to nearly 65,000 MT exported during the same period last year. This is despite the fact that Malawi registered a maize surplus estimated at over 400,000 MT. One explanation could be that maize from Northern Mozambique is easier to access in the southern Malawi than maize from surplus regions in central and northern Malawi. During the past two marketing seasons, Mozambique has exported an average of 71,200 MT to Malawi (it should be noted that monitoring began in July 2004, suggesting that the 2004/05 volume could have been higher). With three months to the end of the marketing year, it is likely that Mozambique's exports this year will surpass last year's. Meanwhile, it is worth noting that despite being a cereal deficit country, Zimbabwe's maize meal exports to Mozambique (mostly through Machipanda border post) are increasing, reaching 205 MT between April and December. This is against informal maize imports of 54 MT (40 MT from South Africa, 10 from Mozambique and 4 from Zambia) during the same period. In turn, Zimbabwe is mostly importing rice, potatoes and cooking oil from Mozambique. Another noteworthy trade flow is the rise of Mozambican exports to Zambia where close to 930 MT of maize were exported compared with 49 MT during the whole marketing season last year.

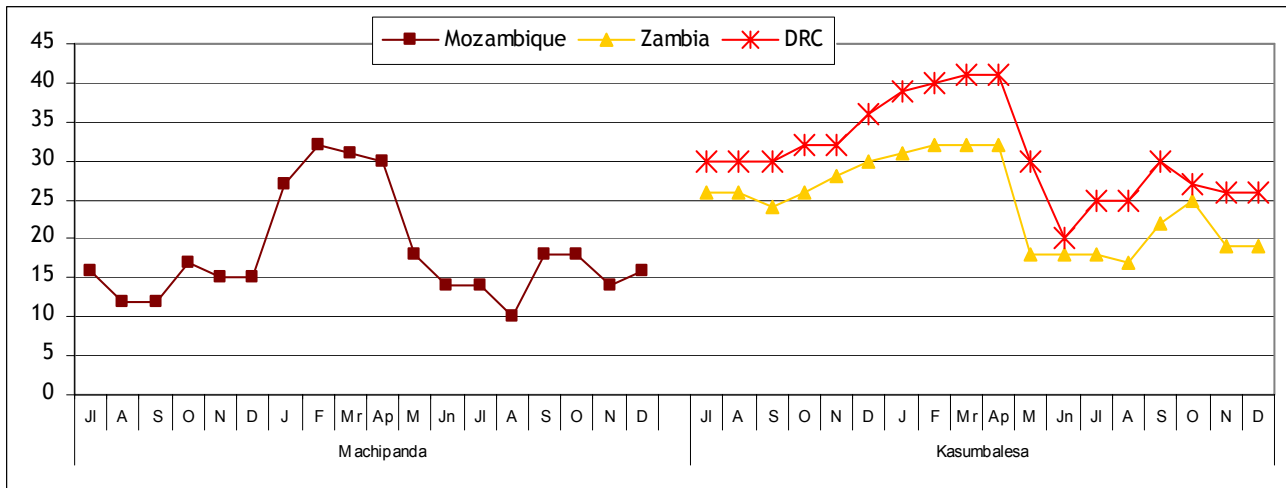
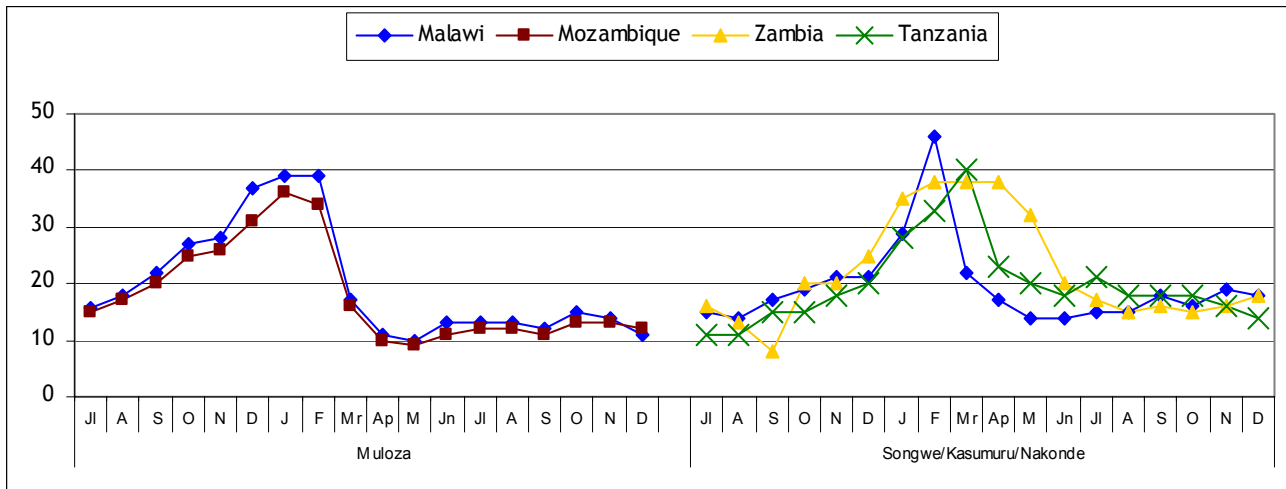
**Table 1—Informal cross-border trade in maize**

Source	Destination	2004/05 Season	2005/06 Season	Dec 05	Dec 06	Cumulative (Apr-Dec 06)
Tanzania	Zambia	3,699	13,556	878	1,330	<b>3,701</b>
Zambia	Zimbabwe	13,106	182	3	0	<b>4</b>
Zambia	Malawi	2,157	419	2	20	<b>352</b>
Zambia	Tanzania	93	0	0	0	<b>0</b>
Malawi	Zambia	34	81	39	4	<b>156</b>
Zambia	DRC	8,318	4,682	80	1,177	<b>5,137</b>
Mozambique	Malawi	71,229	71,218	4,172	3756	<b>70,274</b>
Malawi	Tanzania	637	944	23	4	<b>2,864</b>
Tanzania	Malawi	2,656	84,862	18,338	162	<b>183</b>
Mozambique	Zimbabwe	2	5	0	4	<b>10</b>
Mozambique	Zambia	-	49	16	126	<b>927</b>
Malawi	Mozambique	-	133	0	3	<b>17</b>
Zambia	Mozambique	-	55	0	0	<b>2</b>
Zimbabwe	Mozambique	-	85	0	108	<b>205</b>
South Africa	Zimbabwe	-	1,688	2	9	<b>40</b>
<b>Total Traded (MT)</b>		<b>101,929</b>	<b>177,959</b>	<b>23,553</b>	<b>6,703</b>	<b>83,872</b>

## Maize Price Trends at Selected Border Points

Figures 3 and 4 present retail maize prices at selected border crossings. There were mixed movements of retail prices along these selected border areas during December. Prices at the Kasumbalesa (Zambia/DRC) border area averaged US\$0.23 per kilogram. Prices at the Songwe/Kasumuru/Nakonde (Malawi/Tanzania/Zambia) belt averaged US \$0.17 per kilogram. Both these sets of prices were at the same levels in November. The prices at Muloza/Milange (Malawi/Mozambique) border area dropped by 14% from US\$0.14 per kilogram in November to US\$0.12 per kilogram in December. Retail prices at Machipanda increased 14% between December and November, from US\$0.14 per kilogram to US\$0.16 per kilogram. The stable prices in the Songwe/Kasumuru/Nakonde belt and Muloza/Milange border area are in part supported by stable supplies of grain in the surrounding areas coupled with reduced demand for maize in Zambia and Malawi respectively. The higher than average prices at the Kasumbalesa border area are largely driven by sustained demand from the DRC which remains a net importer of maize from Zambia and Tanzania. The rising prices at Machipanda could be reflecting increasing demand for maize in southern and central Mozambique. Across the board, retail prices this year remain lower than last year at the same time.

Figures 3 and 4: Retail maize prices in selected border points (US\$ cents per kg)



### Formal exports from South Africa

According to the South African Grain Information Service (SAGIS) statistics, Zimbabwe's formal imports from South Africa continued to decline in December and closed the month at close to 1,700 MT from nearly 5,300 MT in November. Zimbabwe's import volumes from South Africa have been erratic this year and are significantly below its import levels (average of 25,000 MT per month) from last year. Since the beginning of the marketing season in April, Zimbabwe has imported only 131,582 MT from South Africa. Last year Zimbabwe imported close to 1.02 million MT from South Africa. The overall magnitude of the 2006/07 formal import program by Zimbabwe remains unclear, however, various estimates put Zimbabwe's grain deficit at around 800,000 MT which is lower than last year's deficit estimated at 1.2 million MT. Apart from its South Africa imports, Zimbabwe plans to import about 85,000 MT from Zambia. Meanwhile, Mozambique has imported around 32,403 MT of white maize from South Africa this season - nearly 500 MT in December 2006. Among the monitored countries, only Mozambique and Zimbabwe are running formal imports programs with South Africa this marketing season.

Figure 5: Formal Exports by South Africa to Malawi, Mozambique, Zambia and Zimbabwe

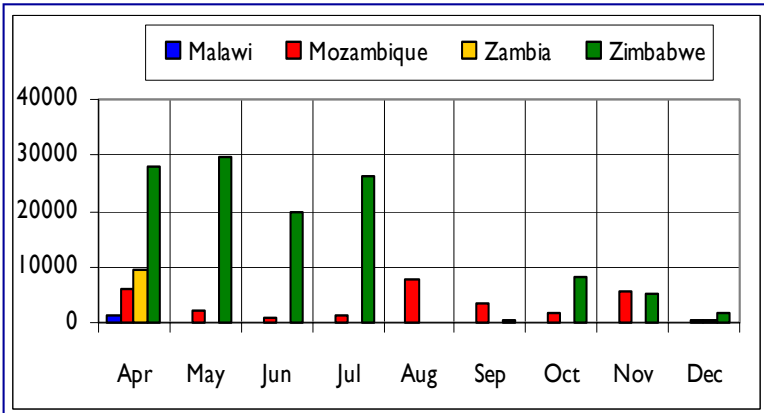


Table 2. Informal cross border trade in rice (MT)

Source	Destination	2004/05 Season	2005/06 Season	Dec 05	Dec 06	Cumulative Apr-Dec 06
Tanzania	Zambia	547	641	78	58	433
Malawi	Tanzania	450	135	0	64	902
Tanzania	Malawi	70	912	108	0	4
Zambia	DRC	12,644	12,629	0	703	1,402
Zambia	Malawi	0	0	0	0	0
Malawi	Zambia	1	31	0	0	14
Zambia	Zimbabwe	50	106	16	50	272
Mozambique	Malawi	2,532	1,691	150	84	1,652
Malawi	Mozambique	1	12	0	0	0
Mozambique	Zimbabwe	58	399	0	104	518
South Africa	Zimbabwe	0	64	2	64	76
<b>Total Traded (MT)</b>		16,355	16,620	354	1,127	5,273

### Summary of trade in rice and beans

*“ Malawi has already imported nearly as much rice as it did in the whole season last year.”*

Trade in rice and beans is summarized in Tables 2 and 3. The volume of trade in rice doubled from 500 MT in November to 1,127 MT in December. Compared with December 2005, the volume traded this December has almost tripled. Malawi imported 84 MT in December through Mozambique, bringing its total imports from that country to 275 MT. Meanwhile the DRC remains the major importer, mostly from Zambia, where it imported 703 MT in December. Asian rice imports generally trade at lower prices than locally produced varieties in many of the monitored countries. Most of the rice informally traded in the region is imported from Asia. Meanwhile, bean exports from Tanzania to Malawi are continuing to increase. Malawi imported over 1,000 MT of beans from Tanzania in December, up from nearly 840 MT the country imported in November. With still three months to the end of marketing season, Malawi has already imported nearly as much beans as it did in the whole season last year, and about five-fold the amount it imported 2 years ago. Malawi has now surpassed DRC as the biggest importer of beans this season. So far, Malawi is the biggest beneficiary of informal cross border trade in the region.

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

Source	Destination	2004/05 Season	2005/06 Season	Dec 05	Dec 06	Cumulative Apr-Dec 06
Tanzania	Zambia	509	472	0	38	355
Zambia	Tanzania	0	0	0	0	2
Zambia	DRC	12,019	8,231	0	106	2,298
Malawi	Mozambique	417	76	0	0	17
Zambia	Zimbabwe	372	16	1	4	56
Mozambique	Malawi	2,997	2,741	81	70	2,733
Malawi	Tanzania	2	0	0	0	0
Mozambique	Zimbabwe	67	4	0	2	7
Malawi	Zambia	30	19	0	9	241
Tanzania	Malawi	403	2,459	1,104	1,048	2,281
South Africa	Zimbabwe	0	325	0	64	71
<b>Total Traded (MT)</b>		16,816	14,343	1,186	1,341	8,061

## Annex 1: Trade Tables

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

Source	Destination	2004/05		2005/06		2005/06		2005/06		2005/06		2005/06	
		Jul-Sep-04	Oct-Dec-04	Jan-Mar-05	Apr-Jun-05	Jul-Sep-05	Oct-Dec-05	Jan-Mar-06	Apr-Jun-06	Jul-Sep-06	Oct-Dec-06	Season	Season
Tanzania	Zambia	796	1,921	982	3,699	397	7,685	4,201	1,273	13,556	318	751	2,632
Zambia	Zimbabwe	2,662	5,628	4,816	13,106	86	13	21	62	182	3	0	1
Zambia	Malawi	484	913	760	2,157	34	36	349	-	419	58	249	45
Zambia	Tanzania	71	20	2	93	-	-	-	-	-	-	0	0
Malawi	Zambia	0	19	15	34	8	5	51	17	81	64	65	27
Zambia	DRC	256	3,054	5,008	8,318	2,477	1,641	531	33	4,682	992	956	3,189
Mozambique	Malawi	33,358	20,433	17,438	71,229	29,064	26,866	8,981	6,307	71,218	27,479	27,069	15,726
Malawi	Tanzania	315	226	96	637	103	174	358	309	944	2,358	451	55
Tanzania	Malawi	22	239	2,395	2,656	471	1,211	33,601	49,579	84,862	-	0	183
Mozambique	Zimbabwe	-	-	2	2	2	3	-	-	5	4	0	6
Mozambique	Zambia	-	-	-	-	5	24	20	-	49	5	111	811
Malawi	Mozambique	-	-	-	-	-	-	-	133	133	-	0	17
Zambia	Mozambique	-	-	-	-	-	-	-	55	55	2	0	0
Zimbabwe	Mozambique	-	-	-	-	-	-	-	85	85	15	43	147
South Africa	Zimbabwe	-	-	-	-	486	921	55	226	1,688	17	8	15
<b>Total Traded (MT)</b>		<b>37,965</b>	<b>32,452</b>	<b>31,512</b>	<b>101,929</b>	<b>33,133</b>	<b>38,579</b>	<b>48,168</b>	<b>58,079</b>	<b>177,959</b>	<b>31,315</b>	<b>29,703</b>	<b>22,854</b>

Table 5: Informal Cross Border trade in Rice (MT)

Source	Destination	2004/05		2005/06		2005/06		2005/06		2005/06		2005/06	
		Jul-Sep-04	Oct-Dec-04	Jan-Mar-05	Apr-Jun-05	Jul-Sep-05	Oct-Dec-05	Jan-Mar-06	Apr-Jun-06	Jul-Sep-06	Oct-Dec-06	Season	Season
Tanzania	Zambia	360	151	36	547	99	184	172	178	641	100	168	165
Malawi	Tanzania	367	83	0	450	-	61	0	-	135	56	740	106
Tanzania	Malawi	0	0	70	70	3	4	108	797	912	4	0	0
Zambia	DRC	2,786	4,157	5,701	12,644	6,164	5,661	690	114	12,629	46	231	1,125
Zambia	Malawi	0	0	0	0	-	0	0	-	0	-	0	0
Malawi	Zambia	0	0	1	1	30	1	0	-	31	-	2	12
Zambia	Zimbabwe	16	16	18	50	15	16	34	41	106	55	141	76
Mozambique	Malawi	153	1,853	526	2,532	1,456	0	152	83	1,691	222	1,155	275
Malawi	Mozambique	1	0	0	1	4	2	0	6	12	-	0	0
Mozambique	Zimbabwe	0	0	58	58	188	97	45	69	399	99	166	253
South Africa	Zimbabwe	0	0	0	0	21	19	9	15	64	6	3	67
<b>Total Traded (MT)</b>		<b>3,683</b>	<b>6,260</b>	<b>6,412</b>	<b>16,355</b>	<b>8,062</b>	<b>6,045</b>	<b>1,210</b>	<b>1,303</b>	<b>16,620</b>	<b>588</b>	<b>2,606</b>	<b>2,079</b>

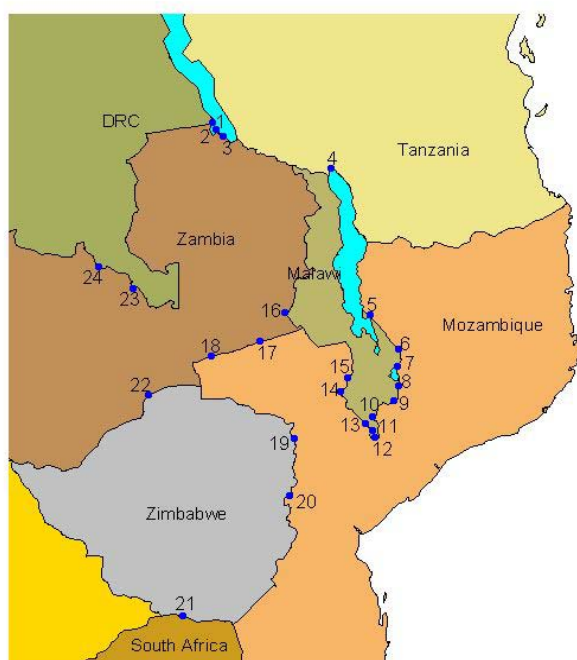
## Annex I (continued)

Table 6: Informal cross border trade in beans (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
Tanzania	Zambia	262	179	68	509	99	223	87	63	472	128	154	73
Zambia	Tanzania	0	0	0	0	-	0	0	-	0	-	0	2
Zambia	DRC	3215	3775	5029	12,019	3,593	3,740	843	55	8,231	390	350	1558
Malawi	Mozambique	391	1	25	417	14	29	5	28	76	15	2	0
Zambia	Zimbabwe	0	364	8	372	1	6	3	6	16	28	20	8
Mozambique	Malawi	1852	571	574	2,997	683	1,530	463	65	2,741	613	1,383	737
Malawi	Tanzania	2	0	0	2	-	0	0	-	0	-	0	0
Mozambique	Zimbabwe	0	1	66	67	1	1	2	-	4	1	2	4
Malawi	Zambia	3	21	6	30	3	7	6	3	19	151	64	26
Tanzania	Malawi	67	246	90	403	18	68	1,134	1,239	2,459	-	54	2227
South Africa	Zimbabwe	0	0	0	0	165	152	4	4	325	3	2	66
<b>Total Traded (MT)</b>		<b>5792</b>	<b>5158</b>	<b>5866</b>	<b>16,816</b>	<b>4,577</b>	<b>5,756</b>	<b>2,547</b>	<b>1,463</b>	<b>14,343</b>	<b>1,329</b>	<b>2,031</b>	<b>3,360</b>

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

## Cross-Border Monitoring Sites , 2006



## 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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