

Informal Cross Border Food Trade in Southern Africa

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Summary

- Maize and bean trade flows captured through the Southern Africa informal cross border monitoring system increased in May 2009 when compared to April levels. Recorded maize volumes rose from 5,853 MT in April to 7,328 MT - a 20 percent increase, while bean trade rose 23 percent - from 457 MT in April to 596 MT. Rice trade flows on the other hand, declined over the April levels - dropping 15 percent from 1,300 MT in April to 1,135 MT in May. Compared to last year; the traded volumes of maize and beans were down by 44 percent and 6 percent respectively in April 2009 compared to the same time last year. However, rice recorded a 29 percent increase in traded volumes compared to April 2008. The May volumes of all traded commodities declined over volumes traded last year May with maize dropping 10 percent, rice (20 percent) and beans (21 percent).
- The pattern (and direction) of informal trade in maize and rice has remained almost unchanged throughout all the seasons that monitoring has been in place: maize trade continues to be dominated by maize flows from Mozambique to Malawi while trade in rice is dominated by flows from Zambia to DRC. For beans, the pattern has been more varied with Tanzania, Mozambique and Zambia being key source countries while Malawi and the DRC are the main destination countries.
- As the harvest season began, nominal prices at the selected monitored border posts began to drop in both source and destination areas. In general, current nominal maize prices (in USD equivalents) have dropped significantly from those recorded in March. When compared to last season, prices are significantly lower than last year. This is an indication that maize availability is much better across the monitored countries during the current season when compared to last year at the same time.

Figure 1: Monthly volumes of maize, rice and bean trade from April and May 2008 and 2009

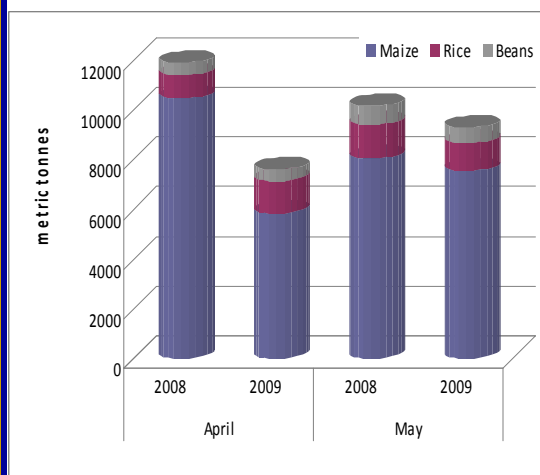


Figure 1 shows a comparison of volumes of maize, rice and beans traded informally in April and May 2009 compared to the same time last year. The volume of maize traded this April is 44 percent lower compared to April 2008, while bean trade is 6 percent below levels recorded last April. Only rice recorded a 29 percent increase in traded volumes. The May volumes of all traded commodities were all below last year's level. Maize - at 7,652 MT was 6 percent down from the 8,080 MT recorded in May 2008; rice dropped 20 percent from 1,368 MT last year to 1,135 MT, while bean trade dropped 21 percent from 724 MT last year to 596 MT in May 2009. Cumulative volumes traded since the 2009/10 marketing year began in April stand at 16,668 MT with maize contributing 80 percent of the total at 13,181 MT followed by rice (14 percent or 2,434 MT) and then beans (6 percent or 1,053 MT). In May 2009 alone, maize still constituted 80 percent of the total traded commodity volumes followed by rice (13 percent) and then beans (7 percent). The cumulative volume of informal trade in all three commodities for April and May 2009 is significantly lower than at the same time last year. This could be attributed to good production levels that have been attained this year compared to last year especially in Malawi and Zambia. However, trade flows are expected to continue to increase up until August/September when traded volumes normally drop as farmers would have sold most of their tradable stocks.

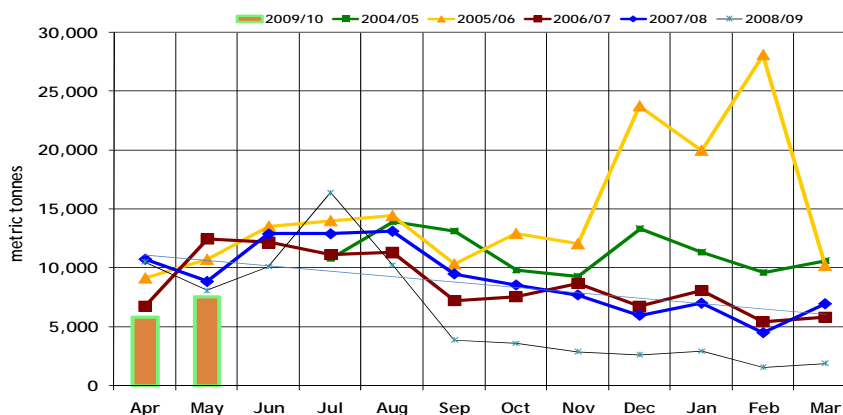


A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative, with funding from USAID and WFP, has prepared this report based on data collected by a network of border monitors based at selected border points. The border monitors record data on a daily basis, and transmit 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 managed by the TSC. Address comments/suggestions to the following e-mail addresses: pmdlada@fews.net; echapasuka@fews.net; eric.kenefick@wfp.org; or itarakidzwa@fews.net

Summary of Maize trade flows

A total maize tonnage (including maize meal in grain equivalents) of 5,853 MT was traded in April 2009 compared to the 10,504 MT traded during the same month last season, a 44 percent decrease. Similarly the total traded maize volume in May 2009 dropped to 7,328 MT from 8,080 MT last year, a 9 percent decrease. Consequently, the cumulative April to May traded maize volumes have decreased by 30 percent from 18,583 MT last season to 13,131 MT this season. The drop in traded volumes during the month of April and May 2009 compared to the same time last year could be a result of improved harvests in destination countries. The decline can also be attributed to the fact that prices of maize were unseasonably quite high last year in the main consumption centres of destination countries (like Malawi) which was an incentive for traders to move commodities across borders. Figure 2 shows the seasonal trend of the recorded volumes of informal cross border trade dating back to the 2004/05 season when the informal monitoring system began. The volumes for April and May 2009 are significantly lower than the same time last year and all previous seasons.

Figure 2: Recorded Volumes of Informal Cross Border MAIZE Trade—2004/05 to 2009/10



Similar to previous seasons; Mozambique and Zambia have been the major source of maize grain for informal trade while Malawi and DRC are the major recipients/ destination countries. Volumes of informally traded maize from Tanzania into Malawi and Zambia have significantly dwindled over the years, and remain at these lower levels even this year. This may suggest that there may be other lucrative informal markets (like Kenya) for Tanzania in the eastern region.

The informal maize trade continues to be dominated by maize flows from Mozambique into Malawi. The data also confirms that Malawi received the bulk of the informal maize imports during April and May 2009 (Figure 3). Curiously, Malawi informal exports to neighboring countries have been significantly low over the years despite the previous three seasons having been exceptionally good in terms of maize production. This factor could be due to the fact that the high production (and surplus) areas are situated around high production areas in neighboring countries like Zambia and Tanzania.

Figure 3: April–May 2009 monthly MAIZE by (a) exports/source and (b) imports/destination compared to April-May 2008

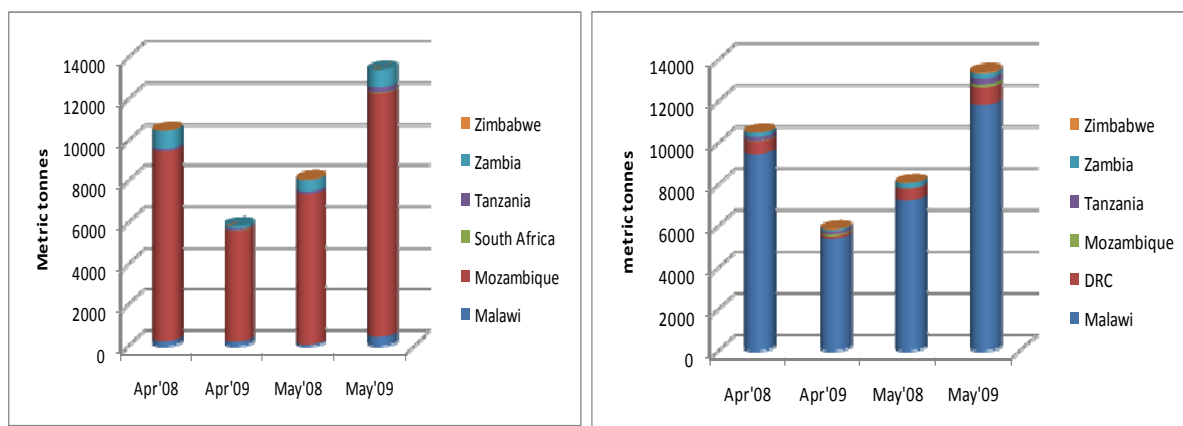


Table 1: Informal cross border MAIZE trade by source and destination country (MT)

Source	Destination	Total 05/06 Season	Total 06/07 Season	Total 07/08 Season	Total 08/09 Season	Apr 08	Apr 09	May 08	May 09	Cumulative Apr-May 08/09	Cumulative Apr-May 09/10
Malawi	Mozambique	133	591	3,755	203	23	78	19	78	42	156
Malawi	Tanzania	944	2,928	1,581	239	192	143	4	143	196	286
Malawi	Zambia	81	202	1,779	129	30	4	56	4	86	8
Mozambique	Malawi	71,218	77,394	56,078	54,223	9,217	5,399	7,248	6408	16,465	11,807
Mozambique	Zambia	49	1,269	2,113	865	30	0	46	0	76	0
Mozambique	Zimbabwe	5	2,085	11	178	2	5	6	21	8	26
South Africa	Zimbabwe	1,688	49	47	2,663	8	20	3	20	11	40
Tanzania	Malawi	84,862	1,888	1,073	2,910	1	0	3	0	4	0
Tanzania	Zambia	13,556	6,260	4,980	2,449	119	73	118	158	237	231
Zambia	DRC	4,682	9,481	33,424	4,589	614	116	557	705	1,171	821
Zambia	Malawi	419	378	2,500	5,388	255	8	0	19	255	27
Zambia	Mozambique	55	2	0	60	0	4	0	3	0	7
Zambia	Tanzania	0	7	4	15	0	3	2	1	2	4
Zambia	Zimbabwe	182	299	433	350	0	0	0	2	0	2
Zimbabwe	Mozambique	85	294	129	2	1	0	0	0	1	0
Zimbabwe	Zambia	-	-	166	207	12	0	19	0	31	0
Total Traded (MT)		177,959	103,127	108,679	74,470	10,504	5,853	8,080	7,328	18,583	13,181

Maize Meal Trade Flows: A significant amount of maize is also informally traded in the form of maize meal. The total amounts are converted into grain equivalents and added to total informal maize trade. In May, maize meal flows amounting to 248 MT were recorded across the monitored borders of Mozambique/Zimbabwe, South Africa/Zimbabwe, Zambia/DRC, Zambia/Mozambique and Zambia/Tanzania borders. About 80% of this was sourced from Zambia and destined for the DRC. Along the Zimbabwe borders, only 37MT of maize meal was captured flowing in from South Africa and Mozambique during the month of May 2009.

Table 2: Maize Meal trade flows: May 2009

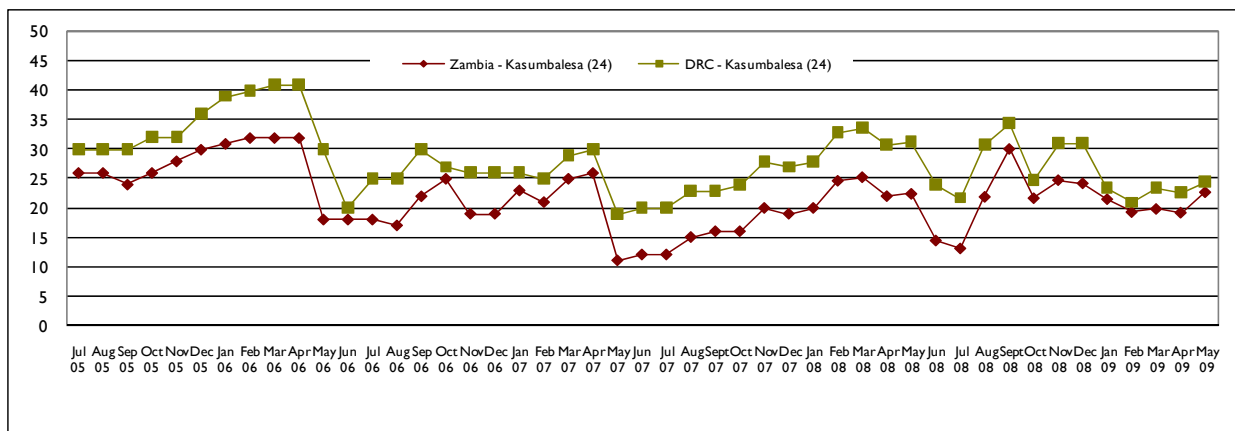
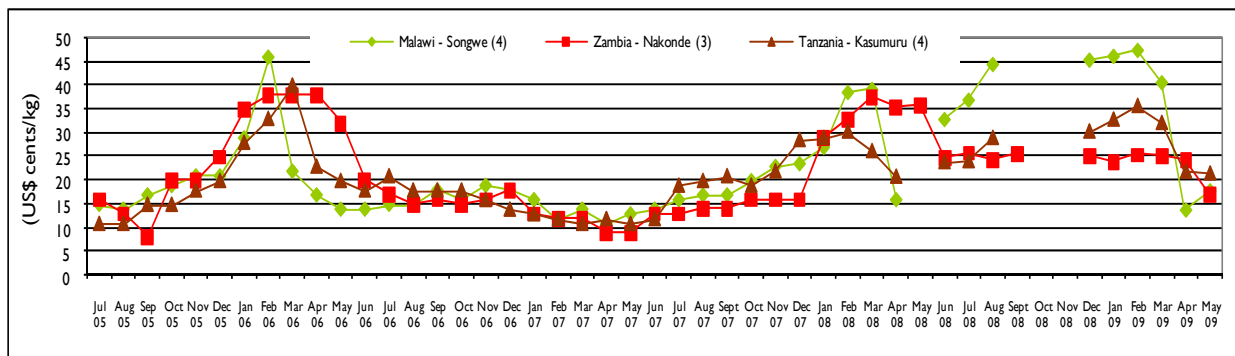
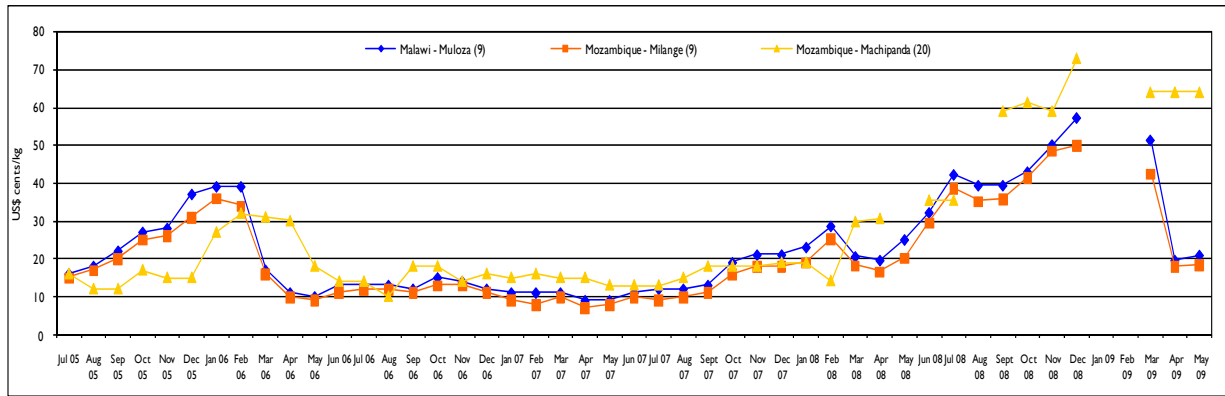
Source	Destination	May 2009
Mozambique	Zimbabwe	22
South Africa	Zimbabwe	16
Tanzania	Zambia	10
Zambia	DRC	198
Zambia	Mozambique	1
Zambia	Tanzania	1
Total Traded (MT)		248

Prices: Table 3 presents a summary of nominal maize price trends for the period March-April 2009; and April-May 2009 for selected border points across monitored countries. In general, for most border points, the April 2009 nominal maize prices (in USD equivalents) dropped significantly from those recorded in March. However in May, a number of border points recorded higher nominal prices both at source and destination points. Price increases ranged from 3 percent at Mozambique's Milange border with Malawi to as high as 18 percent across the Zambia/DRC Kasumbalesa border. Some exceptions (where prices continued to decline) included the Zambia (Nakonde/Tunduma) border points with Tanzania and the Tanzania (Kasumuru/Songwe) border point with Malawi. Reasons for these increases are not clear as normal trends dictate that price drops continue until the end of the harvest season around June/July. When compared to last season - the prices in the selected borders points (Table 3) are significantly lower - only the Zambia/DRC Kasumbalesa border recorded a level slightly (about 1 percent) above last year. This is another indication that maize availability is much better across the monitored countries during the current season when compared to last year at the same time.

Table 3: Nominal maize price trends at selected border points

Border	March 09	April 09	% change	April 09	May 09	% change	May 08	May 09	% change
Malawi - Muloza	37	20	-47	20	21	7	25	21	-16
Mozambique - Milange	30	18	-41	18	18	3	20	18	-9
Zambia - Kasumbalesa	20	19	-3	19	23	18	22	23	1
DRC - Kasumbalesa	23	23	-3	23	25	9	31	25	-22
Zambia - Nakonde	25	24	-3	24	17	-30	36	17	-53
Tanzania - Kasumuru	32	22	-32	22	22	-2	n/a	22	n/a

Figure 4: Retail MAIZE prices in selected border points (US\$ cents per kg)



Summary of Rice trade flows

The cumulative April to May 2009 total of informally traded rice remained relatively the same as that traded last year at the same time with a total volume of 2,424 MT compared to 2,291 MT last year.

As shown in table 4 (page 6) most of the rice exports (1,878 MT) captured in April and May 2009 came from Zambia and accounted for 77% of total rice exports. Zambia has maintained the lead over the years in rice exports to neighboring countries particularly to the DRC. Malawi (with 276 MT), and Mozambique (with 163 MT) came a distant second and third with 11 percent and 8 percent of the total traded volumes respectively. Figure 5 shows the total annual informal rice trade by (a) source and (b) destination since the 2005/06 season, while figure 6 shows the seasonal trends of informal cross border rice trade.

Figure 5: Annual Volumes of informal RICE trade by (a) source and (b) destination

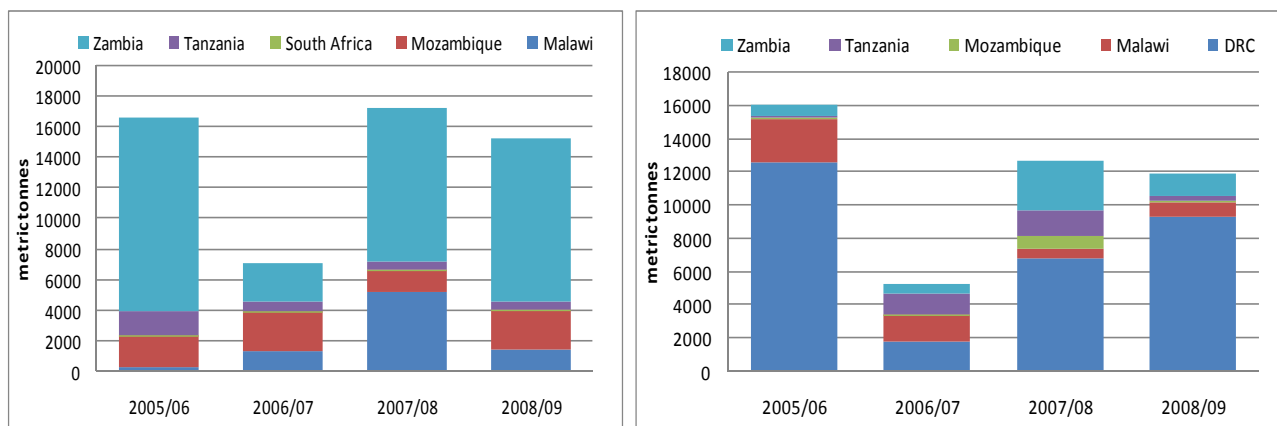


Figure 6: Recorded Volumes of Informal Cross Border RICE Trade 2004/05 to 2009/10 (MT)

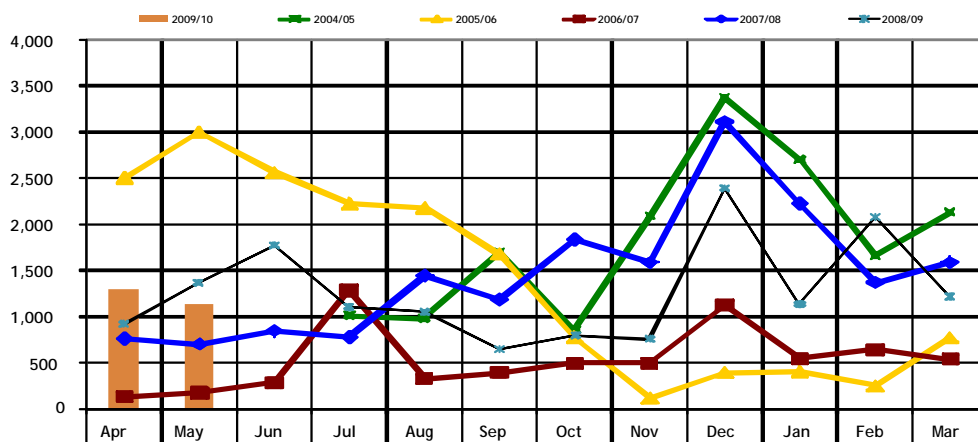
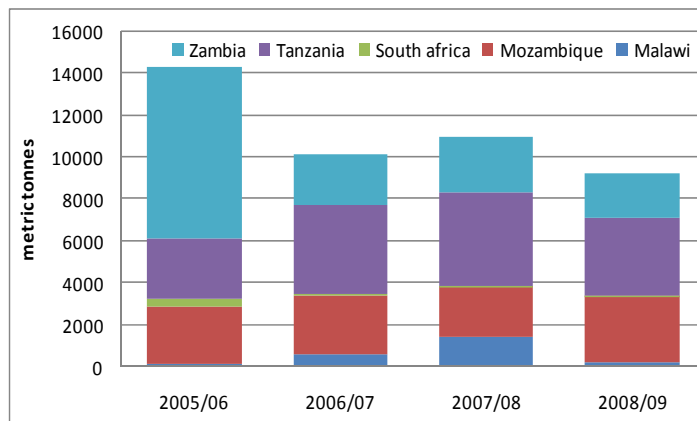


Table 4. Informal cross border RICE trade by source and destination country (MT)

Source	Destination	Total 05/06 Season	Total 06/07 Season	Total 07/08 Season	Total 08/09 Season	Apr 08	Apr 09	May 08	May 09	Cumulative Apr- May 08/09	Cumulative Apr- May 09/10
Malawi	Mozambique	12	1	822	58	0	0	7	2	7	2
Malawi	Tanzania	135	1,217	1,568	291	19	0	203	216	222	216
Malawi	Zambia	31	74	2,360	990	120	0	270	60	390	60
Malawi	Zimbabwe	-	-	405	0	0	0	0	0	0	0
Mozambique	Malawi	1,691	1,718	444	690	37	15	25	114	62	129
Mozambique	Zimbabwe	399	850	1,028	1,958	88	21	136	49	224	70
South Africa	Zimbabwe	64	82	33	25	2	1	2	2	4	3
Tanzania	Malawi	912	4	100	154	119	0	0	0	119	0
Tanzania	Zambia	641	557	397	374	25	21	37	55	62	76
Zambia	DRC	12,629	1,697	6,746	9,333	365	1140	557	589	922	1,729
Zambia	Malawi	0	0	30	0	0	0	0	0	0	0
Zambia	Zimbabwe	106	803	3,312	1,387	148	102	131	47	279	149
Zimbabwe	Zambia	0	0	185	0	0	0	0	0	0	0
Total Traded (MT)		16,620	7,003	17,434	15,268	924	1,300	1,368	1,135	2,291	2,134

Summary of Bean trade flows

Figure 7a: Annual volumes of informal BEAN trade by source



The cumulative traded volume of beans for April and May has remained relatively unchanged since 2007/08. However, while in previous seasons, trade volumes have shown an increase between April and May (reflecting an increase in available tradable stocks), in the current season, the April trade volumes were higher when compared to those recorded in May.

For the period April to May 2009, bean flows between Zambia/DRC accounted for the largest share (30 percent) followed by Mozambique/Malawi (23 percent), Tanzania/Zambia (17percent), and Malawi/ Mozambique (15 percent). Zambia, Mozambique and Tanzania were the main source of bean exports with volumes of 350 MT, 308 MT and 223 MT respectively. As shown in figure 7a and b, Zambia and Tanzania have been the main source/ exporters of beans while Malawi and DRC have, over the years been the major bean import/destination countries.

Figure 7b: Annual volumes of informal BEAN trade by destination

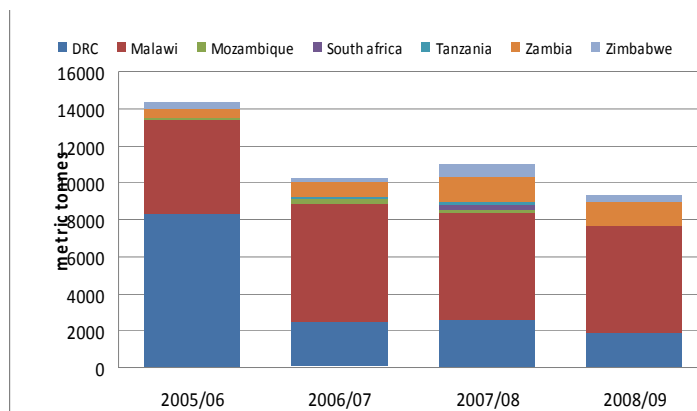
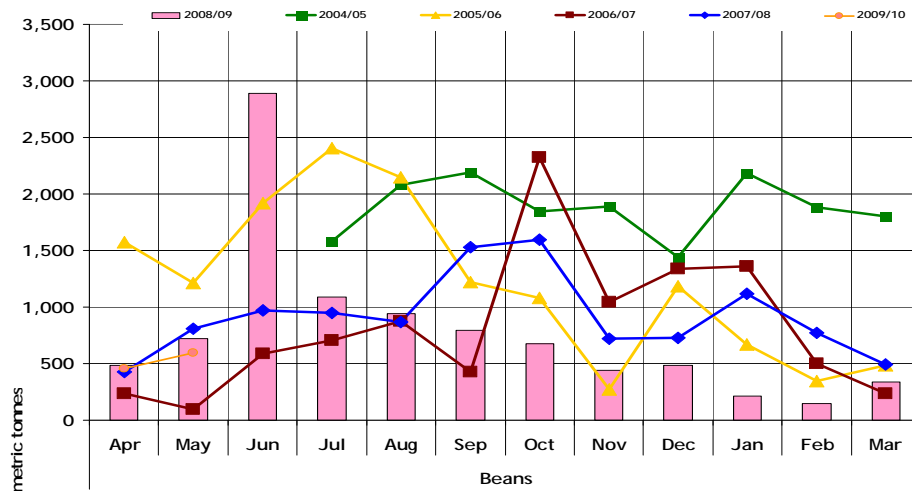


Figure 8 (page 7) shows the total annual informal bean trade by source and destination since 2004/05 season.

Table 5. Informal cross border BEAN trade by source and destination country (MT)

Source	Destination	Total 05/06 Season	Total 06/07 Season	Total 07/08 Season	Total 08/09 Season	Apr 08	Apr 09	May 08	May 09	Cumulative Apr- May 08/09	Cumulative Apr- May 09/10
Malawi	Mozambique	76	269	149	19	2	78	0	75	2	153
Malawi	Tanzania	0	0	169	6	0	0	0	0	0	0
Malawi	Zambia	19	268	338	124	14	12	23	3	37	15
Malawi	Zimbabwe	-	-	480	0	0	0	0	0	0	0
Mozambique	Malawi	2,741	2,798	2,375	3,045	98	109	243	136	341	245
Mozambique	Zimbabwe	4	8	13	29	1	1	1	0	1	1
South Africa	Zimbabwe	325	83	11	6	1	3	0	2	1	5
Tanzania	Malawi	2,459	3,646	3,468	2,749	36	42	96	5	132	47
Tanzania	Zambia	472	588	1,058	946	197	69	96	107	293	176
Zambia	DRC	8,231	2,422	2,487	1,880	118	58	243	255	361	313
Zambia	Tanzania	0	2	0	0.4	0	0	0	0	0	0
Zambia	Zimbabwe	16	69	170	280	22	25	21	11	43	37
Total Traded (MT)		14,343	10,153	10,988	9,235	488	457	724	596	1,212	1,053

Figure 8: Recorded Volumes of Informal Cross Border BEAN Trade: 2004/05 to 2009/10



Annex 1: Trade Tables

Table 6 Informal Cross Border trade in Maize (MT)

Source	Destination	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	Apr- Jun 07	Jul- Sep 07	Oct- Dec 07	Jan- Mar 08	2007/08 Season
Tanzania	Zambia	3,699	397	7,685	4,201	1,273	13,556	318	751	2632	2,559	6,260	835	2,649	1,158	338	4,980
Zambia	Zimbabwe	13,106	86	13	21	62	182	3	0	1	295	299	243	179	11	0	433
Zambia	Malawi	2,157	34	36	349	-	419	58	249	45	26	378	22	21	3	2,454	2,500
Zambia	Tanzania	93	-	-	-	-	-	-	0	0	7	7	4	0	0	0	4
Malawi	Zambia	34	8	5	51	17	81	64	65	27	46	202	907	427	171	274	1,779
Zambia	DRC	8,318	2,477	1,641	531	33	4,682	992	956	3189	4,344	9,481	8,123	11,044	10,377	3,880	33,424
Mozambique	Malawi	71,229	29,064	26,866	8,981	6,307	71,218	27,479	27,069	15726	7,120	77,394	21,394	19,648	7,712	7,324	56,078
Malawi	Tanzania	637	103	174	358	309	944	2,358	451	55	64	2,928	71	348	137	1,025	1,581
Tanzania	Malawi	2,656	471	1,211	33,601	49,579	84,862	-	0	183	1,705	1,888	0	0	8	1,065	1,888
Mozambique	Zimbabwe	2	2	3	-	-	5	4	0	6	2,075	2,085	4	0	1	6	11
Mozambique	Zambia	-	5	24	20	-	49	5	111	811	342	1,269	475	1,084	489	65	2,113
Malawi	Mozambique	-	-	-	-	133	133	-	0	17	574	591	97	86	1,786	1,786	3,755
Zambia	Mozambique	-	-	-	-	55	55	2	0	0	0	2	0	0	0	0	0
Zimbabwe	Mozambique	-	-	-	-	85	85	15	43	147	89	294	12	48	45	24	129
South Africa	Zimbabwe	-	486	921	55	226	1,688	17	8	15	9	49	9	10	17	11	47
Total Traded (MT)		101,929	33,133	38,579	48,168	58,079	177,959	31,315	29,703	22854	19,255	103,127	32,496	35,544	22,221	18,417	108,679

Table 7: Informal Cross Border trade in Rice (MT)

Source	Destination	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	Apr- Jun 07	Jul- Sep 07	Oct- Dec 07	Jan- Mar 08	2007/08 Season
Tanzania	Zambia	547	99	184	172	178	641	100	168	165	124	557	96	140	84	77	397
Malawi	Tanzania	450	-	61	0	-	135	56	740	106	315	1,217	363	421	761	23	1,568
Tanzania	Malawi	70	3	4	108	797	912	4	0	0	0	4	0	0	0	100	100
Zambia	DRC	12,644	6,164	5,661	690	114	12,629	46	231	1125	295	1,697	253	486	2,658	3,349	6,746
Zambia	Malawi	0	-	0	0	-	0	-	0	0	0	0	0	0	0	30	30
Malawi	Zambia	1	30	1	0	-	31	-	2	12	60	74	285	510	1,055	510	2,360
Zambia	Zimbabwe	50	15	16	34	41	106	55	141	76	531	803	629	1,086	1,016	581	3,312
Mozambique	Malawi	2,532	1,456	0	152	83	1,691	222	1,155	275	66	1,718	180	95	130	39	444
Malawi	Mozambique	1	4	2	0	6	12	-	0	0	1	1	11	488	288	35	822
Mozambique	Zimbabwe	58	188	97	45	69	399	99	166	253	332	850	291	174	321	242	1,028
South Africa	Zimbabwe	0	21	19	9	15	64	6	3	67	6	82	8	8	8	9	33
Total Traded (MT)		16,355	8,062	6,045	1,210	1,303	16,620	588	2,606	2079	1,730	7,003	2,311	3,408	6,533	5,182	17,434

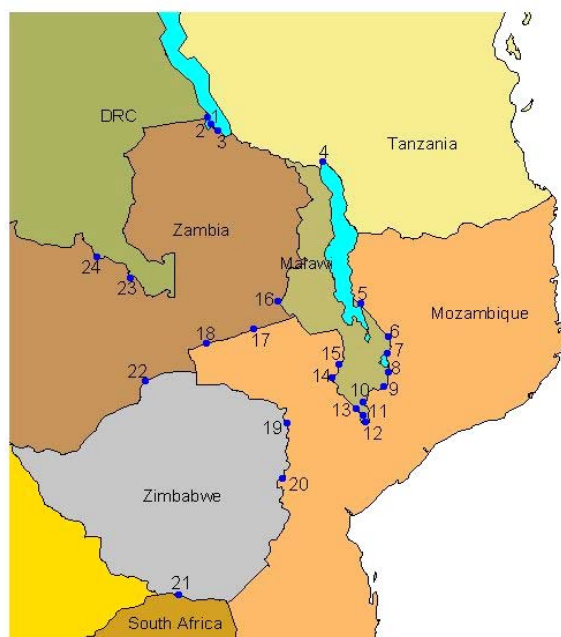
Annex 1 (continued)

Table 8: Informal cross border trade in beans (MT)

Source	Destination	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	Apr-Jun 07	Jul-Sep 07	Oct-Dec 07	Jan-Mar 08	2007/08 Season
Tanz	Zambia	509	99	223	87	63	472	128	154	73	233	588	433	239	82	304	1,058
Zambia	Tanz	0	-	0	0	-	0	-	0	2	0	2	0	0	0	0	0
Zambia	DRC	12,019	3,593	3,740	843	55	8,231	390	350	1,558	124	2,422	615	683	862	327	2,487
Malawi	Moz	417	14	29	5	28	76	15	2	0	252	269	79	9	29	32	149
Zambia	Zim	372	1	6	3	6	16	28	20	8	13	69	37	42	62	29	170
Moz	Malawi	2,997	683	1,530	463	65	2,741	613	1,383	737	65	2,798	524	1,038	627	186	2,375
Malawi	Tanz	2	-	0	0	-	0	-	0	0	0	0	0	169	0	0	169
Moz	Zim	67	1	1	2	-	4	1	2	4	1	8	3	2	5	3	13
Malawi	Zambia	30	3	7	6	3	19	151	64	26	27	268	184	101	38	15	338
Tan	Malawi	403	18	68	1,134	1,239	2,459	-	54	2,227	1,365	3,646	0	880	1,341	1,247	3,468
RSA	Zim	0	165	152	4	4	325	3	2	66	12	83	3	5	2	1	11
Total Traded (MT)		16,816	4,577	5,756	2,547	1,463	14,343	1,329	2,031	3,360	2,092	10,153	2,208	3,348	3,048	2,384	10,988

*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 | 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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