

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. Address comments/suggestions to the following e-mail addresses: pmdladia@fewsn.net, itg-rakidzwa@fewsn.net; or eric.kenefick@wfp.org

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Informal Cross Border Food Trade in Southern Africa

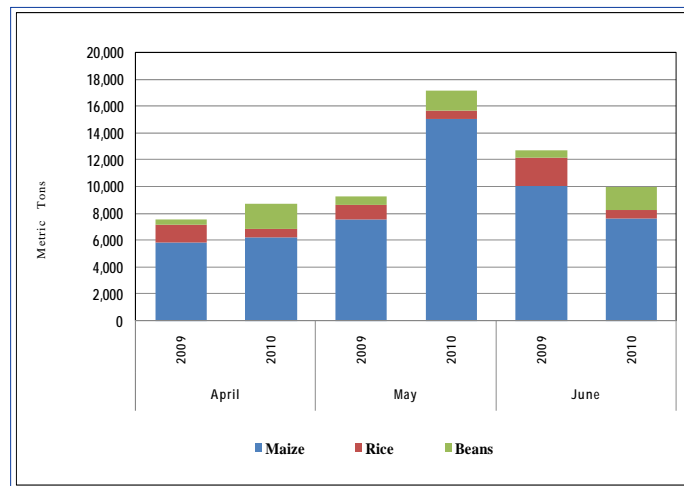
Issue 60

June 2010

Summary

- Captured volumes of informally traded maize decreased significantly during the month of June 2010. Rice trade also dropped (although marginally), while bean trade increased by 20 percent. The decline in maize is partly attributable to declining maize prices.
- June trade flows from Mozambique into Malawi, Zambia into DRC, and Malawi into Tanzania remained the most significant (as in May). However, compared to the May 2010 records, there was a marked drop in flows from South Africa into Zimbabwe.
- Nominal maize grain prices have declined in most monitored source and destination points. The sharpest drops were noted along the Mozambique/Malawi borders. At Milange, prices dropped 38 percent from USD0.25/kg in June last year to USD0.15/kg this year while at Muloza, they fell 33 percent from USD0.27/kg to USD0.18/kg.

Figure 1: Maize, rice and bean trade volumes: April–June 2010



There was a marked decrease in overall informal trade between May and June 2010 due to a sharp drop in maize trade of close to 50 percent. The overall total dropped 42 percent from 17,179 MT in May to 10,016 MT in June 2010. The June 2010 informally traded maize is 24 percent below volumes captured in June last year. This essentially means that maize trade (including maize-meal) peaked in May this year compared to the July peak that has been observed in previous years. Changes in traded volumes of rice and beans have not been as drastic over this is period, and have remained close to the monthly averages of nearly 600 MT and 1,700 MT respectively.

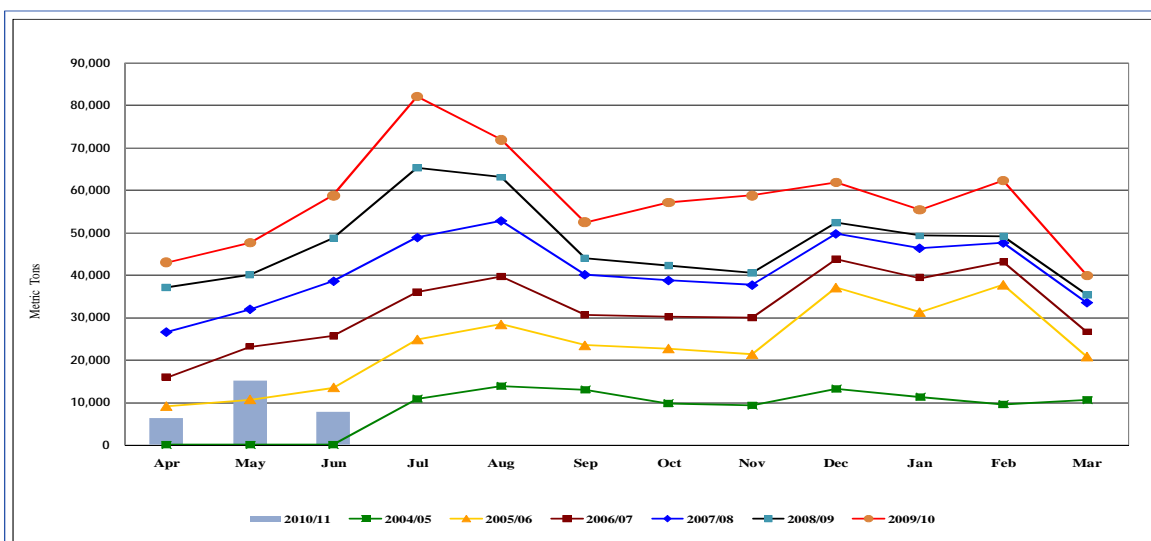
Table 1: April to June 2010 commodity flow volumes (MT)

	April	May	June	Total
Maize (incl. maize meal)	6,226	15,111	7,674	29,011
Rice	628	603	579	1,809
Beans	1,869	1,465	1,764	5,098
Total	8,723	17,179	10,017	35,918

Despite the lower June volumes, cumulative trade since April 2010 is well above (about 24 percent) that observed over the same April – June 2009 period. This level of trade is indicative of increased availability of informally traded food commodities (especially maize) in local markets partly due to carry-over stocks from last year and this year's relatively good harvests. The largest volumes of informal maize trade were captured along the Mozambique/Malawi, the Zambia/DRC and Malawi/Tanzania borders.

Summary of Maize trade flows

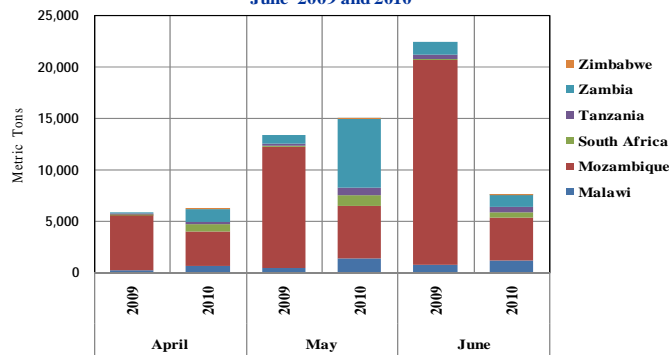
Figure 2: Recorded Volumes of Informal Cross Border MAIZE Trade 2004/05 to 2010/11 (MT)



Despite the 49 percent drop in the volume of informally traded maize from 15,111 MT in May to 7,674 MT in June 2010, the cumulative April to June volumes are much higher than those recorded at the same time last year (Table 2). This shows a significant increase in regional informal trade following two consecutive years of improved harvests. Maize flows from Mozambique to Malawi and from Zambia to DRC continue to dominate informal maize trade.

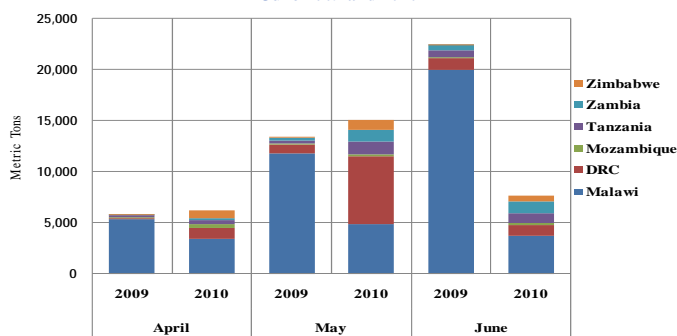
Exports (Figure 3a): Of the 7,674MT of flows captured in June, Mozambique exports were the highest at 4,211 MT (or 54 percent). The country has also consistently topped the list since April, with cumulative exports of 12,831 MT in this period (or 44 percent of total informal exports). Zambia is in second position with 32 percent, followed by Malawi (10 percent), South Africa (8 percent), and Tanzania (5 percent). Zimbabwean exports are quite insignificant.

Figure 3a: Comparison of monthly maize exports by source - April to June 2009 and 2010



Imports (Figure 3b): Malawi received 48 percent (3,707 MT) of the 7,674 MT traded in June. Malawi's maize imports have however dropped 54 percent from 8,136 MT recorded in June last year. This is probably due to the prevailing low maize prices (especially at the Muloza/Milanje borders) that are failing to attract more traders from Mozambique.

Figure 3b: Comparison of monthly maize imports by source - April to June 2009 and 2010



In the period April to June, Malawi has received the highest share of total imports at 42 percent followed by DRC (30 percent), Zambia and Tanzania (9 percent each), Zimbabwe (8 percent), and Mozambique (3 percent). Although Malawi, and DRC remain the major destination countries for informally traded maize, the DRC's imports (most of which come from Zambia) have also dropped from the May peak of 6,593 MT to 1,117 MT in June 2010.

Table 2: Informal cross border MAIZE trade by source and destination country (MT)

Source	Destination	Total 05/06	Total 06/07	Total 07/08	Total 08/09	Total 09/10	Jun 09	Jun 10	Cumulative Apr- Jun 09/10	Cumulative Apr-Jun 10/11
Malawi	Mozambique	133	591	3,755	203	6,124	18	112	111	556
Malawi	Tanzania	944	2,928	1,581	239	6,031	328	923	614	2,364
Malawi	Zambia	81	202	1,779	129	315	50	82	58	111
Mozambique	Malawi	71,218	77,394	56,078	54,223	60,399	8,131	3,702	19,938	11,887
Mozambique	Zambia	49	1,269	2,113	865	4,462	0	508	0	943
Mozambique	Zimbabwe	5	2,085	11	178	1,761	1	0	9	1
South Africa	Zimbabwe	1,688	49	47	2,663	1,135	9	565	54	2,277
Tanzania	Malawi	84,862	1,888	1,073	2,910	89	0	0	0	14
Tanzania	Zambia	13,556	6,260	4,980	2,449	3,730	259	520	490	1,388
Zambia	DRC	4,682	9,481	33,424	4,589	9,861	1,228	1,095	2,069	8,805
Zambia	Malawi	419	378	2,500	5,388	546	5	5	32	182
Zambia	Mozambique	55	2	0	60	130	0	68	7	230
Zambia	Tanzania	0	7	4	15	257	21	37	26	106
Zambia	Zimbabwe	182	299	433	350	28,493	0	0	2	0
Zimbabwe	Mozambique	85	294	129	2	8	0	0	0	0
Zimbabwe	Zambia	-	-	166	207	345	0	57	0	148
Total Traded (MT)		177,959	103,127	108,679	74,470	123,685	10,051	7,674	23,410	29,011

Note: Volumes of maize meal trade are estimated in grain equivalent and added to the volumes of informally traded maize as presented in Table 2 above

Table 3: Maize Meal trade flows: 2009/10 and Cumulative April to June 2009 and 2010 (MT)

Source	Destination	Total 09/10	Cum Apr-Jun 09	Cum Apr-Jun 10
Malawi	Mozambique	91	25	32
Mozambique	Zimbabwe	25	23	1
South Africa	Zimbabwe	904	99	1753
Tanzania	Zambia	104	26	475
Zambia	DRC	1,895	433	5,765
Zambia	Mozambique	11	2	1
Zambia	Tanzania	24	1	7
Zambia	Zimbabwe	9,200	8	0
Zimbabwe	Zambia	0	0	0
Total Traded		12,254	617	8,393

to USD0.15/kg this year while at Muloza, they fell 33 percent from USD0.27/kg to USD0.18/kg. The current price at Milange (US\$0.15/kg) is the lowest recorded in the month of June among the monitored borders which confirms the favorable maize supply situation obtaining in northern Mozambique. The situation in Kasumbalesa is the only exception. Here, prices have increased, and the prevailing price differentials continue to spur grain movement from Zambia into the DRC.

Maize Meal (Table 3): Although the direction of maize meal flows remained unchanged, traded volumes dropped drastically, especially the South Africa/Zimbabwe, and Zambia/DRC exports. On the other hand, significant flows (about 360 MT) were recorded for the first time between Mozambique and Malawi. Major flows remain those between South Africa and Zimbabwe, and Zambia and DRC. Very little is traded along the other monitored sites.

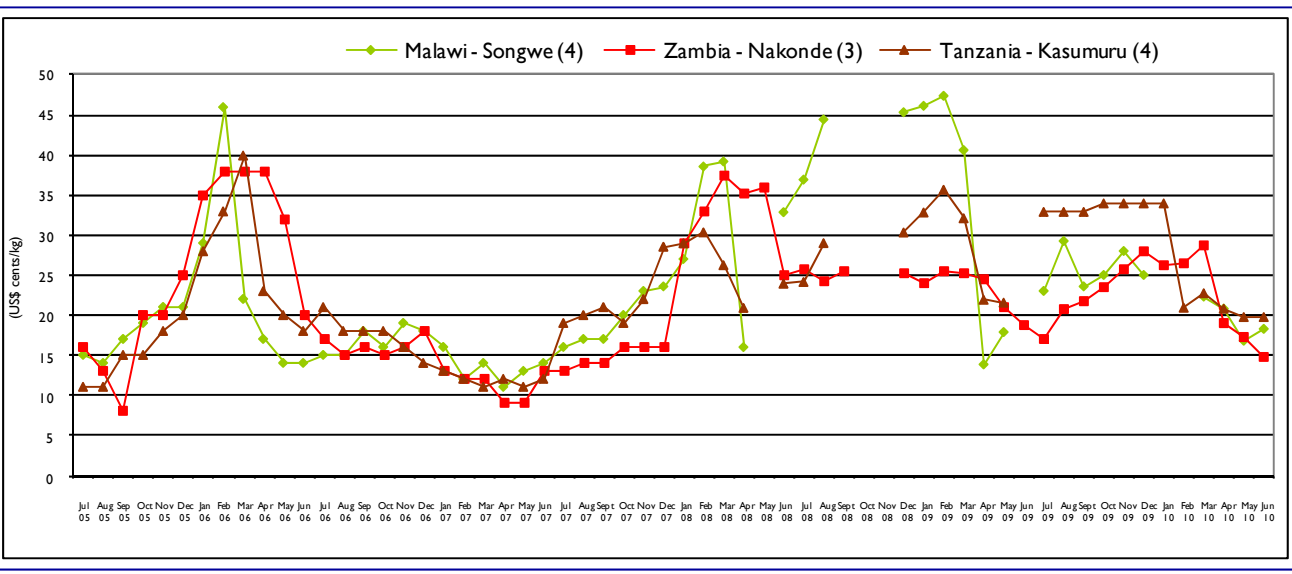
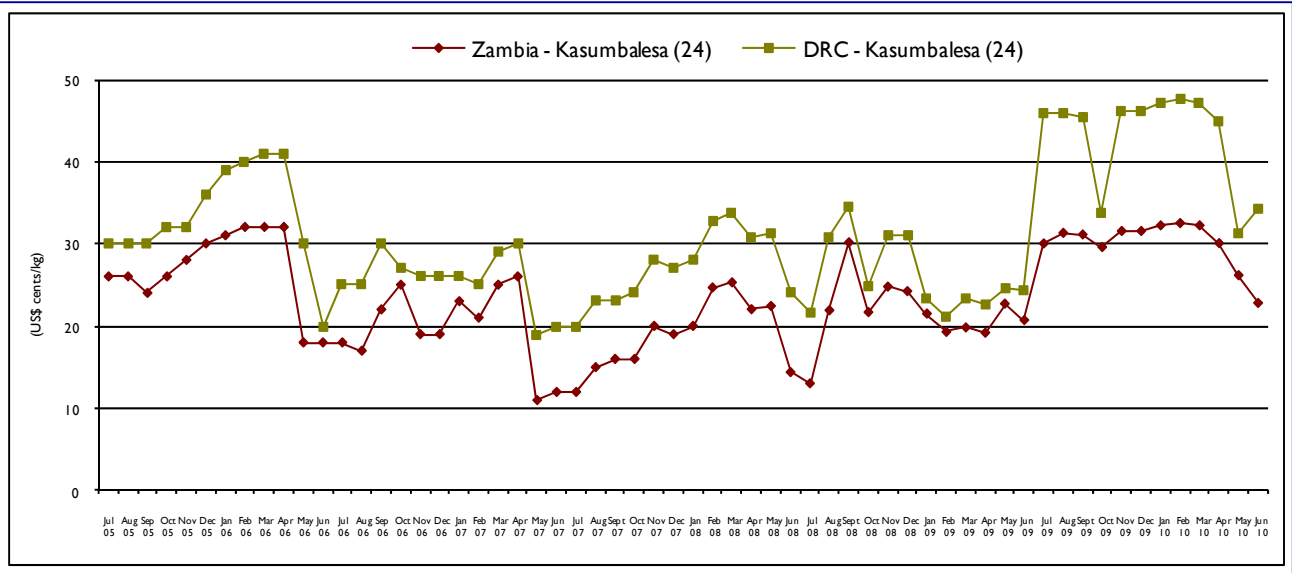
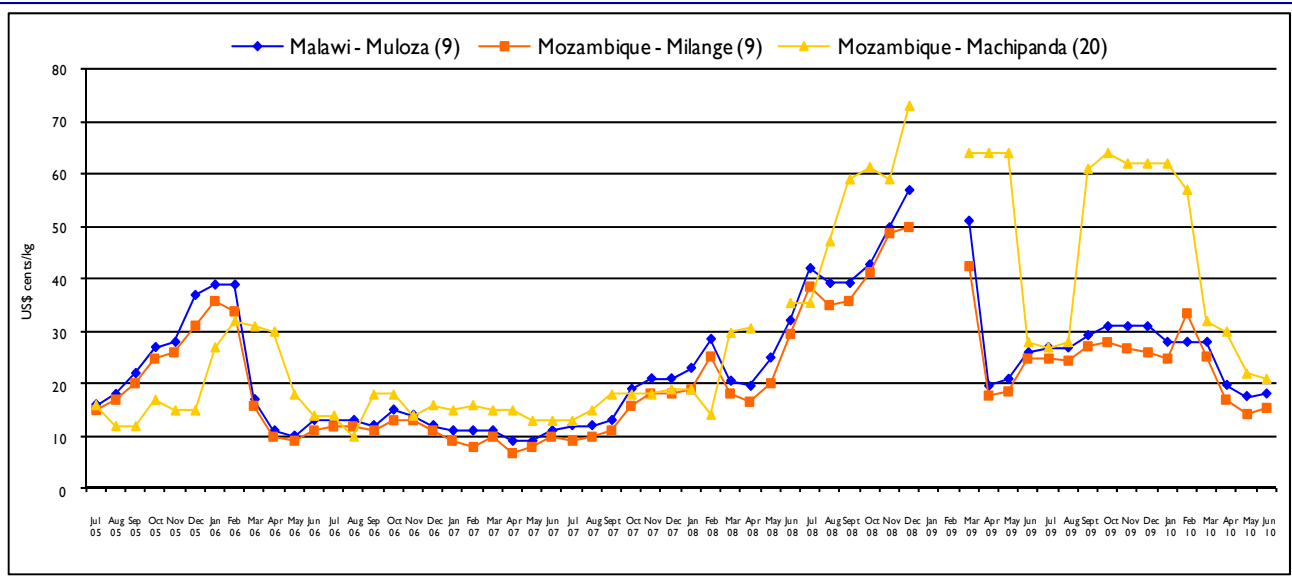
Maize Grain Prices at Destination/ Source points

Price Trends (Table 4 and Figure 4 (a-c): Compared to June last year, nominal maize grain prices (in USD equivalent) have declined in most monitored sites with the sharpest drops were noted along the Mozambique/Malawi borders (Muloza and Milange). At Milange, prices dropped 38 percent from USD0.25/kg in June last year

Table 4. Price at Destination/ Source (US Cents/Kg)

Destination (D)/ Source (S)	May 2009	May 2010	% change	June 2009	June 2010	% change
Moz/Mal: Muloza (D)	21	18	-16	27	18	-33
Moz/Mal: Milange (S)	18	14	-21	25	15	-38
Moz/Zim: Machpnda (S)	64	22	-66	28	21	-25
Zam/DRC: Kasumba (S)	23	26	+15	21	23	10
DRC/Zam: Kasumba (D)	25	31	+27	24	34	40
Zam/Tan: Nakonde (S)	21	17	-18	19	15	-22

Figures 4a-4c: Retail MAIZE prices in selected border points (US\$ cents per kg)



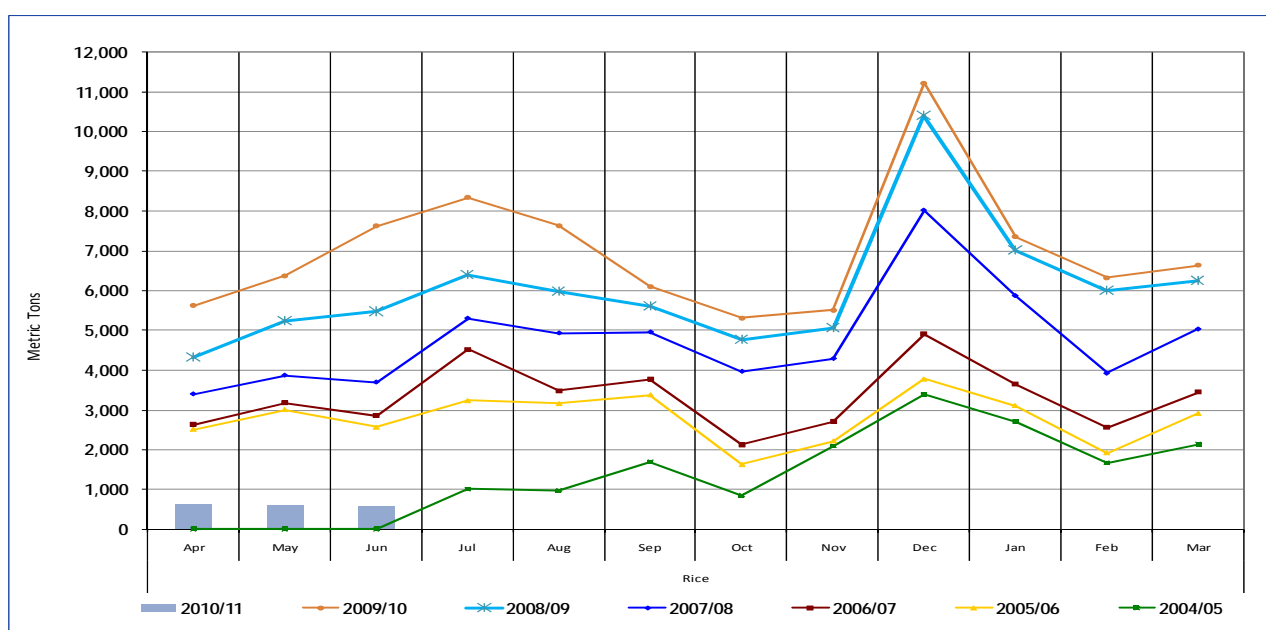
Summary of Rice trade flows

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

Source	Destination	Total 05/06	Total 06/07	Total 07/08	Total 08/09	Total 09/10	Jun 09	Jun 10	Cumulative Apr- Jun 09/10	Cumulative Apr-Jun 10/11
Malawi	Mozambique	12	1	822	58	518	52	16	54	34
Malawi	Tanzania	135	1217	1568	291	1,909	811	148	1027	229
Malawi	Zambia	31	74	2360	990	2,607	111	15	171	62
Mozambique	Malawi	1691	1718	444	690	588	141	46	270	226
Mozambique	Zambia				3	4	0	1	0	3
Mozambique	Zimbabwe	399	850	1028	1958	276	24	9	94	20
South Africa	Zimbabwe	64	82	33	25	215	1	55	4	198
Tanzania	Malawi	912	4	100	154	0	0	0	0	0
Tanzania	Zambia	641	557	397	374	549	62	70	138	179
Zambia	DRC	12629	1697	6746	9333	3,660	261	173	1,991	731
Zambia	Malawi	0	0	30	0	7	0	0	0	0
Zambia	Tanzania	0	0	3	6	9	1	0	1	2
Zambia	Zimbabwe	106	803	3312	1387	568	62	46	210	126
Zimbabwe	Zambia	0	0	185	0	1,620	0	0	0	0
Total Traded (MT)		16620	7003	17434	15268	13,161	2,156	579	4,590	1,809

The trade in rice is summarized in Table 5 and Figure 5 below. The cumulative April to June volumes of traded rice dropped by 49 percent from 4,590 MT recorded over the same period last year to 1,809 MT this year. Although there has been a steady decline in rice trade since the beginning of the current marketing year; trade continues to flourish along the Zambia/DRC and Mozambique/Malawi borders. Elsewhere, the commodity is trading at much lower volumes and confined to a few border points.

Figure 5: Recorded Volumes of Informal Cross Border RICE Trade 2004/05 to 2010/11 (MT)



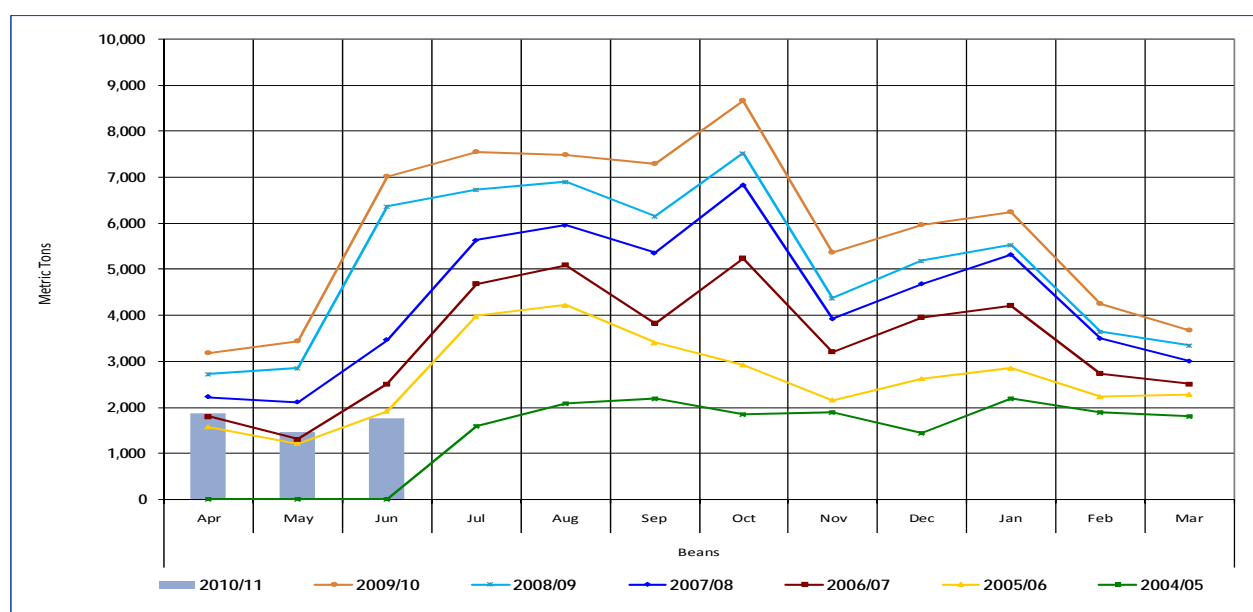
Summary of Bean trade flows

Table 6. Informal cross border BEAN trade by source and destination country (MT)

Source	Destination	Total 05/06	Total 06/07	Total 07/08	Total 08/09	Total 09/10	Jun 09	Jun 10	Cumulative Apr-Jun 09/10	Cumulative Apr-Jun 10/11
Malawi	Mozambique	76	269	149	19	328	0	0	153	2
Malawi	South Africa	0	0	270	0	0	0	0	0	0
Malawi	Tanzania	0	0	169	6	6	0	82	0	122
Malawi	Zambia	19	268	338	124	52	5	9	20	25
Malawi	Zimbabwe	0	0	480	0	0	0	0	0	0
Mozambique	Malawi	2,741	2,798	2,375	3,045	2,619	187	894	432	2,452
Mozambique	Zambia				151	152	0	0	62	0
Mozambique	Zimbabwe	4	8	13	29	38	0	0	1	1
South Africa	Zimbabwe	325	83	11	6	17	1	12	6	25
Tanzania	Malawi	2,459	3,646	3,468	2,749	622	0	67	47	399
Tanzania	Zambia	472	588	1,058	946	1,099	122	181	298	641
Zambia	DRC	8,231	2,422	2,487	1,880	3,548	302	476	615	1,296
Zambia	Mozambique				0	90	0	17	0	55
Zambia	Tanzania	0	2	0	0	86	16	8	16	34
Zambia	Zimbabwe	16	69	170	280	143	13	17	50	47
Total Traded (MT)		14,343	10,153	10,988	9,236	8,800	646	1,764	1,698	5,098

There has been a significant increase in the cumulative (April to June) trade in beans from 1,698 MT captured last year to 5,098 MT this year (Table 6 and Figure 6). Significant trade is notable along the Mozambique/ Malawi, Zambia/DRC and Tanzania/ Zambia borders. This could be indicative of better supplies of the commodity, following the generally good harvests of summer crops in monitored countries. Apart from the small dip experienced in May 2010, the traded monthly volumes (April to June 2010) have averaged a monthly total of 1,700 MT.

Figure 6: Recorded Volumes of Informal Cross Border BEAN Trade: 2004/05 to 2010/11



Annex 1: Trade Tables

Table 7 Informal Cross Border trade in Maize (MT)

Source	Destination	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	Apr-Jun 08	Jul-Sep 08	Oct-Dec 08	Jan-Mar 09	2008/09 2Season
Tanzania	Zambia	13,556	318	751	2632	2,559	6,260	835	2,649	1,158	338	4,980	477	1,167	628	177	2,449
Zambia	Zimbabwe	182	3	0	1	295	299	243	179	11	0	433	12	0	316	22	350
Zambia	Malawi	419	58	249	45	26	378	22	21	3	2,454	2,500	255	5,114	19	0	5,388
Zambia	Tanzania	-	-	0	0	7	7	4	0	0	0	4	4	3	1	7	15
Malawi	Zambia	81	64	65	27	46	202	907	427	171	274	1,779	94	1,167	15	17	1,293
Zambia	DRC	4,682	992	956	3189	4,344	9,481	8,123	11,044	10,377	3,880	33,424	1,735	1,389	1,051	413	4,588
Mozambique	Malawi	71,218	27,479	27,069	15726	7,120	77,394	21,394	19,648	7,712	7,324	56,078	25,604	20,936	5,519	2,164	54,223
Malawi	Tanzania	944	2,358	451	55	64	2,928	71	348	137	1,025	1,581	210	13	14	2	239
Tanzania	Malawi	84,862	-	0	183	1,705	1,888	0	0	8	1,065	1,888	50	577	713	1,570	2,910
Mozambique	Zimbabwe	5	4	0	6	2,075	2,085	4	0	1	6	11	8	90	66	15	178
Mozambique	Zambia	49	5	111	811	342	1,269	475	1,084	489	65	2,113	76	699	68	21	864
Malawi	Mozambique	133	-	0	17	574	591	97	86	1,786	1,786	3,755	67	65	35	36	203
Zambia	Mozambique	55	2	0	0	0	2	0	0	0	0	0	0	2	40	18	60
Zimbabwe	Mozambique	85	15	43	147	89	294	12	48	45	24	129	1	0	0	1	2
South Africa	Zimbabwe	1,688	17	8	15	9	49	9	10	17	11	47	13	272	552	1,826	2,663
Total Traded (MT)		177,959	31,315	29,703	22854	19,255	103,127	32,496	35,544	22,221	18,417	108,679	28,606	31,494	9,037	6,288	75,426

Table 8: Informal Cross Border trade in Rice (MT)

Source	Destination	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	Apr-Jun 08	Jul-Sep 08	Oct-Dec 08	Jan-Mar 09	2008/09 Season
Tanzania	Zambia	641	100	168	165	124	557	96	140	84	77	397	119	116	77	312	625
Malawi	Tanzania	135	56	740	106	315	1,217	363	421	761	23	1,568	255	35	1	0	291
Tanzania	Malawi	912	4	0	0	0	4	0	0	0	100	100	128	15	11	0	154
Zambia	DRC	12,629	46	231	1125	295	1,697	253	486	2,658	3,349	6,746	1,616	1,215	2,757	3,746	9,334
Zambia	Malawi	0	-	0	0	0	0	0	0	0	30	30	0	0	0	0	0
Malawi	Zambia	31	-	2	12	60	74	285	510	1,055	510	2,360	930	60	0	0	990
Zambia	Zimbabwe	106	55	141	76	531	803	629	1,086	1,016	581	3,312	512	285	294	295	1,386
Mozambique	Malawi	1,691	222	1,155	275	66	1,718	180	95	130	39	444	152	510	26	2	690
Malawi	Mozambique	12	-	0	0	1	1	11	488	288	35	822	12	35	6	5	58
Mozambique	Zimbabwe	399	99	166	253	332	850	291	174	321	242	1,028	338	531	767	321	1,958
South Africa	Zimbabwe	64	6	3	67	6	82	8	8	8	9	33	7	5	12	2	25
Total Traded (MT)		16,620	588	2,606	2079	1,730	7,003	2,311	3,408	6,533	5,182	17,434	4,067	2,808	3,952	4,684	15,511

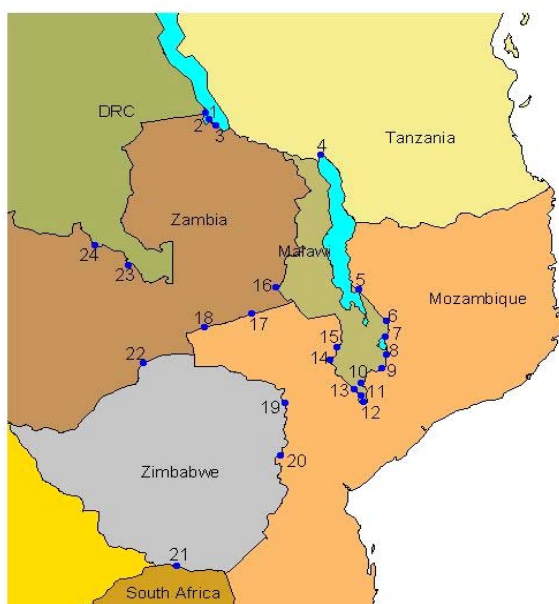
Annex 1 (continued)

Table 9: Informal cross border trade in beans (MT)

Source	Destination	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	Apr-Jun 08	Jul-Sep 08	Oct-Dec 08	Jan-Mar 09	2008/09 Season
Tanz	Zambia	472	128	154	73	233	588	433	239	82	304	1,058	383	336	141	86	946
Zambia	Tanz	0	-	0	2	0	2	0	0	0	0	0	0	0	0	0	0
Zambia	DRC	8,231	390	350	1,558	124	2,422	615	683	862	327	2,487	587	793	397	104	1,881
Malawi	Moz	76	15	2	0	252	269	79	9	29	32	149	2	15	2	0	19
Zambia	Zim	16	28	20	8	13	69	37	42	62	29	170	0	69	78	60	207
Moz	Malawi	2,741	613	1,383	737	65	2,798	524	1,038	627	186	2,375	1,931	0	295	95	2,321
Malawi	Tanz	0	-	0	0	0	0	0	169	0	0	169	0	6	0	0	6
Moz	Zim	4	1	2	4	1	8	3	2	5	3	13	2	6	19	2	29
Malawi	Zambia	19	151	64	26	27	268	184	101	38	15	338	46	54	18	6	124
Tanz	Malawi	2,459	-	54	2,227	1,365	3,646	0	880	1341	1,247	3,468	1,079	823	626	221	2,749
RSA	Zim	325	3	2	66	12	83	3	5	2	1	11	1	1	1	3	6
Total Traded (MT)		14,343	1329	2,031	3,360	2,092	10,153	2,208	3,348	3,048	2,384	10,988	4,031	2,102	1,577	577	8,288

UN World Food Programme Regional Bureau for Southern Africa, Johannesburg South Africa and
FEWS NET Regional Office, Pretoria South Africa

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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