



March 2009

# Informal Cross Border Food Trade in Southern Africa

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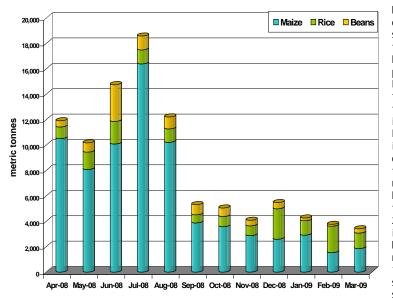
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### Summary

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- As the 2008/09 marketing season drew to a close at the end of March, cumulative volume of maize, rice and beans traded informally amounted to 98,974 MT, about 31 percent below last year's level, and the lowest total recorded in any year since the start of monitoring in 2004. The relatively low volume of trade this season is attributed to reduced availability of exportable supplies in the major source countries coupled with restrictive trade policy interventions.
- Zambia recorded the biggest drop in informal maize exports from 36,361 MT in 2007/08 to 10,402 MT this season. This drop of more than 70 percent contributed significantly to the decline in overall informal maize exports this season and also led to the significant reduction in DRC informal imports most of which are sourced from Zambia.
- Average total volume traded during the month of March dropped by 9 percent from 3,758 MT in February to 3,406 MT. This was due to a 41 percent decrease in informally traded rice which offset the 27 percent and 123 percent increases in maize and bean trade respectively. These increases are attributed to improved supplies as harvesting of early planted crops commences.
- Average nominal maize prices (in US\$ equivalent) began to drop across most of the border points in March 2009. This is attributed to improvement in maize supplies as harvesting began. The market demand for maize by the households has also reduced as they begin to consume own produced food from the new harvest.

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



March 31<sup>st</sup> signaled the end of the 2008/09 marketing season. Overall volumes of traded maize, rice and beans in March dropped 9 percent from 3,758 MT in February to 3,406 MT due to the 41 percent drop in the volume of rice traded in March given that in February; rice trade had increased quite significantly. This drop more than offset the increases recorded in maize and bean trade. The volume of traded maize increased by 21 percent from 1,527 MT in February to 1,852 MT in March while bean trade more than doubled from 151 MT to 337 MT over the same period. Figure 1 shows a comparison of the monthly volumes of maize,

rice and beans traded over the course of the 2008/09 marketing year. The graph shows that overall



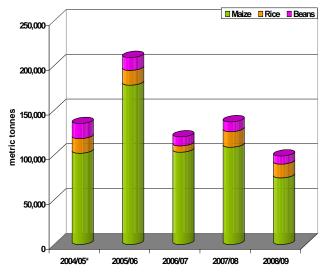
A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative, with funding from USAID and WFP, has prepared this report based on data collected by a network of border monitors based at selected border points. The border monitors record data on a daily basis, and transmit 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; eric.kenefick@wfp.org; or veronica.rammala@wfp.org

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volumes traded were generally high in the first five months of the marketing season but dropped significantly in the next beans - 2004/05 to 2008/09 seven months with maize experiencing the highest drop. Cumulative 2008/09 volume of trade for the three commodities amounted to 98,822 MT - about 28 percent lower than the 137,102 MT recorded in the previous season, and the lowest since the start of monitoring as shown in figure 2. The share of maize trade has remained the highest, ranging from 75 percent in 2004/05 and 2008/09 seasons to 86 percent in the 2006/07 season. Informal rice trade as percent of total captured has ranged from 6 percent in 2006/07 to 15 percent in 2008/09 while bean trade has remained the lowest ranging from 7 percent in 2005/06 season to 12 percent in 2004/05 season. It should be noted here (and all subsequent historical comparisons) that data for the 2004/05 season does not cover a full marketing year as monitoring only started in July 2004. This means that figures for the 2004/05 season could have been higher than currently portrayed considering the fact that the months that were not covered (April to June) are those during which trade volumes are generally highest as shown in figure 1. Many countries in the region experienced critical food shortages in the 2005/06 marketing season and the higher trade volumes in that year underscore the important contribution of informal trade in ensuring food security in the region.

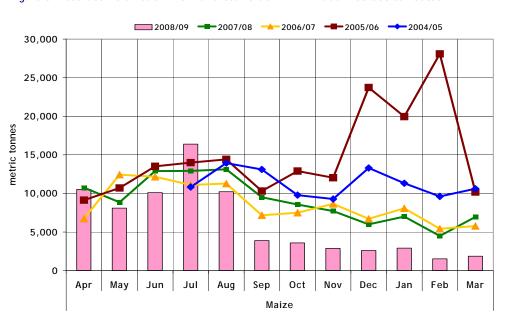
Figure 3: Cumulative volumes of trade in maize, rice and



\* 2004/05 data starts from July 2004 to March 2005

#### Summary of Maize trade flows

There was a 21 percent increase in the volume of maize (and maize meal) traded informally from 1,527 MT in February to 1,852 MT in March 2009. This is attributed to improvement in maize supplies as the newly harvested crop becomes available. However despite this increase, traded volumes remain lower than at the same time in the previous four seasons. Figure 3 shows historical trends in the volumes of maize trade captured. Since September 2008, trade volumes have been significantly lower than at any time since monitoring began. This is largely due to scarcity of exportable maize in the major source countries like Mozambique and Zambia due to a drop in maize production experienced in some parts of these countries. In addition, Malawi; the major destination for informally traded maize imposed restrictions on private maize trade around August 2008 - a factor that has also contributed to the decrease in the volume of informal maize flows in subsequent months. Although the restrictions were not officially removed, they seem to have fizzled out with time as is commonly the case with such interventions. Nonetheless maize trade flows have remained low - confirming the scarcity of the commodity in the source countries. Cumulative volume of maize traded this season amounted to 74,470 MT, about 31 percent lower than the 108,679 MT traded last season. Mozambigue/Malawi maize flows continued to dominate the trade accounting for 73 percent of all maize flows this season (compared with 55 percent last season). However, despite the higher percentage share this season, the total volume of the Mozambigue/Malawi maize trade dropped by 9 percent from 59,833 MT last season to 54,426 MT. The higher share this season is due to the huge drop in the Zambia/DRC maize flows which were guite significant in previous seasons. Trade between the two countries dropped 86 percent from 33,424 MT in 2007/08 to only 4,589 MT this year which translates to a drop from a 31 percent share last year to a mere 6 percent this season.



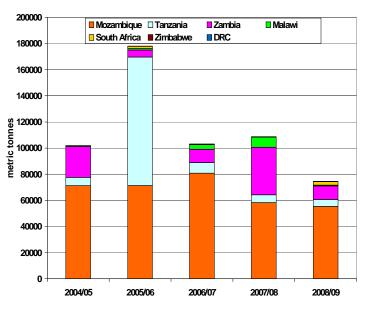
#### Figure 3: Recorded Volumes of Informal Cross Border MAIZE Trade-2004/05 to 2008/09

| Page 3          |                 |                          |                          | Info                     | ormal Cro      | ss Border | Food Tr | ade in Sout                     | hern Africa                     |
|-----------------|-----------------|--------------------------|--------------------------|--------------------------|----------------|-----------|---------|---------------------------------|---------------------------------|
| Table 1: Inform | mal cross borde | r MAIZE trade            | e by source              | and destinat             | ion country (  | (MT)      |         |                                 |                                 |
| Source          | Destination     | Total<br>04/05<br>Season | Total<br>05/06<br>Season | Total<br>06/07<br>Season | Total<br>07/08 | Mar 08    | Mar 09  | Cumulative<br>Apr- Mar<br>07/08 | Cumulative<br>Apr- Mar<br>08/09 |
| Malawi          | Mozambique      | 0                        | 133                      | 591                      | 3,755          | 0         | 0       | 3,750                           | 203                             |
| Malawi          | Tanzania        | 637                      | 944                      | 2,928                    | 1,581          | 0         | 0       | 1,581                           | 239                             |
| Malawi          | Zambia          | 34                       | 81                       | 202                      | 1,779          | 15        | 5       | 1,779                           | 129                             |
| Mozambique      | Malawi          | 71,229                   | 71,218                   | 77,394                   | 56,078         | 3,592     | 1,198   | 56,078                          | 54,223                          |
| Mozambique      | Zambia          | 0                        | 49                       | 1,269                    | 2,113          | 26        | 0       | 2,113                           | 865                             |
| Mozambique      | Zimbabwe        | 2                        | 5                        | 2,085                    | 11             | 2         | 6       | 11                              | 178                             |
| South Africa    | Zimbabwe        | 0                        | 1,688                    | 49                       | 47             | 4         | 53      | 47                              | 2,663                           |
| Tanzania        | Malawi          | 2,656                    | 84,862                   | 1,888                    | 1,073          | 749       | 494     | 1,073                           | 2,910                           |
| Tanzania        | Zambia          | 3,699                    | 13,556                   | 6,260                    | 4,980          | 76        | 55.4    | 4,980                           | 2,449                           |
| Zambia          | DRC             | 8,318                    | 4,682                    | 9,481                    | 33,424         | 815       | 23      | 33,424                          | 4,589                           |
| Zambia          | Malawi          | 2,157                    | 419                      | 378                      | 2,500          | 1,624     | 0       | 2,500                           | 5,388                           |
| Zambia          | Mozambique      | 0                        | 55                       | 2                        | 0              | 0         | 6       | 0                               | 60                              |
| Zambia          | Tanzania        | 93                       | 0                        | 7                        | 4              | 0         | 1.5     | 4                               | 15                              |
| Zambia          | Zimbabwe        | 13,106                   | 182                      | 299                      | 433            | 0         | 0       | 433                             | 350                             |
| Zimbabwe        | Mozambique      | 0                        | 85                       | 294                      | 129            | 4         | 1       | 129                             | 2                               |
| Zimbabwe        | Zambia          | -                        | -                        | -                        | 166            | 31        | 0       | 166                             | 207                             |
| Total Tra       | ided (MT)       | 101,929                  | 177,959                  | 103,127                  | 108,679        | 6,943     | 1,852   | 108,679                         | 74,470                          |

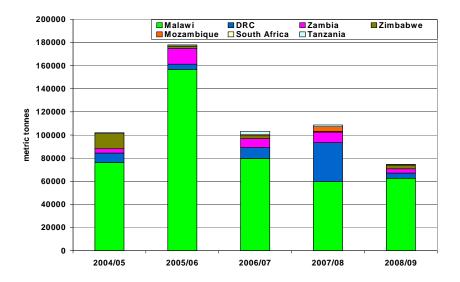
Exports: Mozambique's informal maize exports made up 65 percent of all maize exports in the month of March. Volumes exported more than tripled to 1,204 MT (from 351 MT in February) after experiencing a steady decline. Tanzania, with exports of 549 MT (466 MT in February) was in second position accounting for 30 percent of the total. The two countries together accounted for 95 percent of all informal exports captured by the monitoring system in March 2009. Cumulatively, Mozambique continued to dominate the informal maize export market in 2008/09. Her cumulative informal maize exports of 55,256 MT represent 74 percent of all maize exports this season. However, this total was down by 5 percent compared to 58,202 MT last season. Zambia's cumulative exports of 10,402 MT (or 14 percent of the total) were 71 percent below the 36,361 MT exported last season. These significant decreases for both Mozambique and Zambia were the main contributors to the much lower levels of informal exports this season. Figure 4 provides a comparison of informal maize exports by source over the past five seasons.

Imports: Malawi's informal imports of 1,692 MT made up just over 90 percent of the total imported during the month of March. Most of these imports came from Mozambique. Cumulatively, Malawi continued to dominate the informal maize import market as has been the case since monitoring began in 2004. Its share of overall informal imports has ranged from 55 percent (in 2007/08)

## Figure 4: Cumulative informal maize exports by source - 2004/05 to 2008/09



to 88 percent (in 2005/06). For the 2008/09 season, the figure stood at 84 percent. The DRC's imports share this season stood at 6 percent, Zambia's was 5 percent, while Zimbabwe had a 4 percent share of captured informal imports. The increase in Malawi's share is attributed to a 5 percent increase in total imports from 59,651 MT last year to 62,521 MT. Another contributing factor was the marked drop (from 33,224 MT to 4,589 MT) in the DRC's imports. This led to a drop in her overall imports share from 31 percent last season to the 6 percent noted above. Figure 5 (page 4) shows a comparison of informal maize imports by country for the past five seasons, and Table 1 (above) provides a summary of maize trade flows.



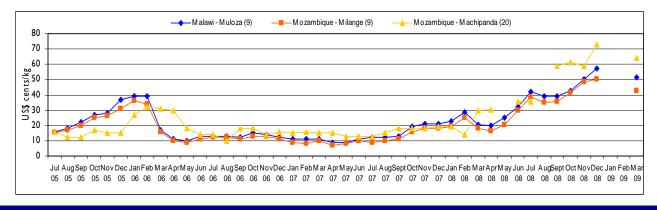
#### Figure 5: Cumulative informal maize imports by destination - 2004/05 to 2008/09

Prices: Many of the border points recorded a drop in the average nominal maize prices both in local currency and US Dollar equivalent. This is attributed to increasing supplies as newly harvested crops come on to the local markets. The prices are expected to continue to decline until the peak of the harvest period in June/July. All border points except Kasumbalesa between Zambia and DRC and Cuchamano in Mozambique bordering Zimbabwe, recorded average nominal price decreases between February and March 2009 ranging from just a percentage point at Nakonde border in Zambia to as high as 56 percent on the Mozambican side of Malawi's Tengani border. Figure 6 (a-c) shows the average nominal maize price trends from July 2005 to March 2009. Generally the biggest drops in prices were recorded on both sides of Malawi/Mozambique border points.

Overall, average nominal maize price ranged from US\$0.15/kg on the Tanzanian side of Zambia's Mpulungu border (Kigoma) to US\$0.64/kg at Machipanda border in Mozambique. At national level, maize prices in Malawi ranged from US\$0.29/kg to US\$0.61/kg at Tengani and Marka border points with Mozambique. In Mozambique the prices ranged from US\$0.21/kg on the Mozambican side of Malawi's Tengani border to US\$0.64/kg at Machipanda border with Zimbabwe. In Tanzania the prices ranged from US\$0.15/kg on the Tanzania side of Mpulungu border (Kigoma) to US\$0.32/kg on the Tanzanian side of Mpulungu border (Kigoma) to US\$0.32/kg on the Tanzanian side of Malawi's Songwe border (Kisumuru). In Zambia the prices ranged from US\$0.20/kg at Kasumbalesa border with DRC to US\$0.31/kg at Chanida border. The DRC side of Kasumbalesa border recorded an average maize price of US\$0.23/kg. Maize prices were generally the highest on record in most parts of the region this season partly due to the general rise in world food prices earlier in the year, and the low supplies in some of the main production areas in the monitored countries.

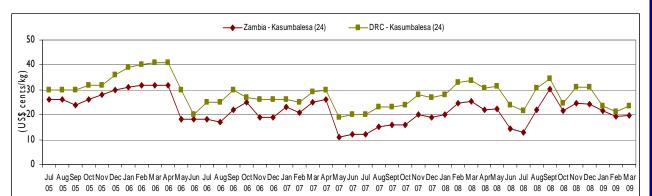
Prices have been converted to US Dollar equivalent to facilitate cross country comparisons. However, the trends calculated in US Dollar equivalent reflect both the actual changes in maize prices in the local currency as well as variations in the exchange rates against the US\$ at the particular time. These trends (as shown in figure 6) therefore may not be equal to those derived using local currency prices that have not been converted to US Dollar equivalent. In an attempt to remove the effects of foreign exchange variations, local maize grain prices reflected in Annex 1 were therefore adjusted using a constant exchange rate (that prevailed at the start of the marketing season in April 2008) so that the price trends reflect as much as possible the local currency average nominal maize price trends in the different countries.

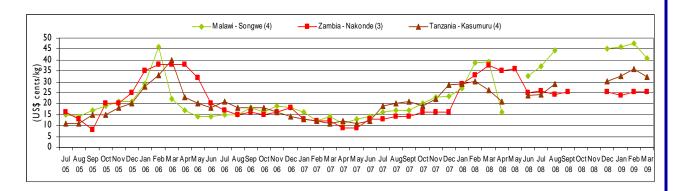
Prices of maize meal recorded at monitored borders ranged from US\$0.34/kg at Mpulungu border in Zambia to US\$1.15/kg on the Mozambican side of Cuchamano border with Zimbabwe. At national level, prices in Zambia ranged from US\$0.34/kg at Mpulungu border to US\$0.54/kg at Kasumbalesa border. In Mozambique prices ranged from US\$0.93/kg at Machipanda border to US\$1.15/kg at Cuchamano border. Maize meal prices averaged about US\$0.42/kg and US\$0.72/kg across Nakonde and Kasumbalesa border points in Tanzania and DRC respectively.



### Figure 6a: Retail MAIZE prices in selected border points (US\$ cents per kg)

Figure 6b and c: Retail MAIZE prices in selected border points (US\$ cents per kg)





### Summary of Rice trade flows

The volume of rice traded informally dropped by about 41 percent from 2,080 MT in February to 1,217 MT in March 2009. Figure 7 shows trends in monthly volumes of traded rice. Cumulative volume of rice captured this marketing year amounted to 15,268 MT, about 12 percent lower than the 17,434 MT captured in the previous season. The Zambia/DRC rice trade remained the most dominant accounting for 61 percent of the overall rice trade captured this season. This is higher than the 31 percent share recorded in last season. The increase was due to a 38 percent increase in the volume of informal rice trade between the two countries from 6,746 MT last year to 9,333 MT. Informal rice trade between Mozambique and Zimbabwe made up the second largest share accounting for 13 percent of informal rice trade. Last season, total rice flows between Zambia and Zimbabwe were the second highest,

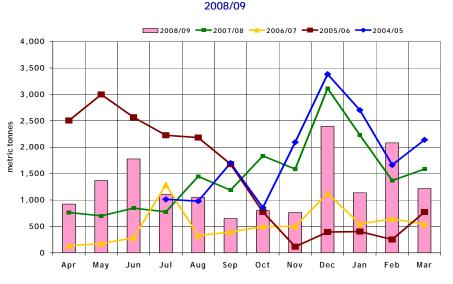


Figure 6: Recorded Volumes of Informal Cross Border RICE Trade-2004/05 to

accounting for 20 percent share of the informal rice trade. The Mozambique/Zimbabwe trade increased by 90 percent from 1,028 MT to 1,958 MT while the Zambia/Zimbabwe trade decreased by 60 percent from 3,497 MT to 1,387 MT in the two seasons.

**Exports:** In March 2009, Zambia's rice exports (which were the largest) amounted to 1,150 MT, down by about 40 percent from 1,943 MT in the previous month. Over 90 percent of this rice went to DRC. Cumulative informal rice exports by Zambia in the 2008/09 marketing season amounted to 10,726 MT, about 6 percent higher than the 10,092 MT recorded in the previous season. Zambia remained the number one source of informally traded rice accounting for 70 percent of all captured informal rice exports. Last year, Zambia's share of rice exports stood at 58 percent, but was still the largest among monitored countries. In second position was Mozambique with cumulative informal exports of 2,650 MT, making up 17 percent of all captured exports. Last season, second position was occupied by Malawi with export volumes amounting to 5,155 MT and representing 30 percent of all rice exports that year. This year, Malawi's rice exports dropped by 74 percent to 1,339 MT while Mozambique's exports on the other hand increased by a significant 80 percent over last year's level. However since Mozambique is not a big rice producer, it is suspected

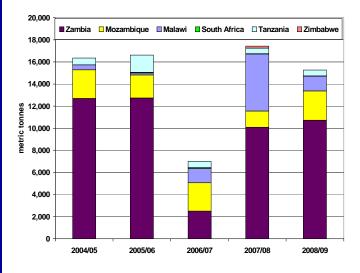
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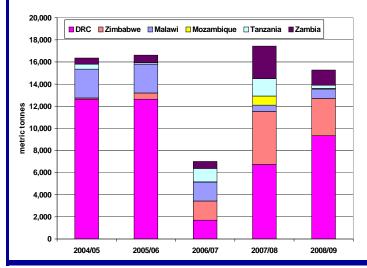
Table 2. Informal cross border RICE trade by source and destination country (MT)

|              |             |                          |                          |                          |                          | -      |        |                                 |                                 |
|--------------|-------------|--------------------------|--------------------------|--------------------------|--------------------------|--------|--------|---------------------------------|---------------------------------|
| Source       | Destination | Total<br>04/05<br>Season | Total<br>05/06<br>Season | Total<br>06/07<br>Season | Total<br>07/08<br>Season | Mar 08 | Mar 09 | Cumulative<br>Apr- Mar<br>07/08 | Cumulative<br>Apr- Mar<br>08/09 |
| Malawi       | Mozambique  | 1                        | 12                       | 1                        | 822                      | 0      | 2      | 822                             | 58                              |
| Malawi       | Tanzania    | 450                      | 135                      | 1,217                    | 1,568                    | 3      | 0      | 1,568                           | 291                             |
| Malawi       | Zambia      | 1                        | 31                       | 74                       | 2,360                    | 120    | 0      | 2,360                           | 990                             |
| Malawi       | Zimbabwe    | -                        | -                        | -                        | 405                      | 0      | 0      | 405                             | 0                               |
| Mozambique   | Malawi      | 2,532                    | 1,691                    | 1,718                    | 444                      | 12     | 0      | 444                             | 690                             |
| Mozambique   | Zimbabwe    | 58                       | 399                      | 850                      | 1,028                    | 95     | 44     | 1,028                           | 1,958                           |
| South Africa | Zimbabwe    | 0                        | 64                       | 82                       | 33                       | 3      | 0.6    | 33                              | 25                              |
| Tanzania     | Malawi      | 70                       | 912                      | 4                        | 100                      | 100    | 0      | 100                             | 154                             |
| Tanzania     | Zambia      | 547                      | 641                      | 557                      | 397                      | 25     | 18.7   | 397                             | 374                             |
| Zambia       | DRC         | 12,644                   | 12,629                   | 1,697                    | 6,746                    | 1,014  | 1,074  | 6,746                           | 9,333                           |
| Zambia       | Malawi      | 0                        | 0                        | 0                        | 30                       | 0      | 30     | 30                              | 0                               |
| Zambia       | Zimbabwe    | 50                       | 106                      | 803                      | 3,312                    | 0      | 76.4   | 3,312                           | 1,387                           |
| Zimbabwe     | Zambia      | 0                        | 0                        | 0                        | 185                      | 185    | 0      | 185                             | 0                               |
| Total Tra    | aded (MT)   | 16,355                   | 16,620                   | 7,003                    | 17,434                   | 1,587  | 1,217  | 17,434                          | 15,268                          |

#### Figure 8: Cumulative informal RICE exports by source







that some of the rice could be imported rice from outside the region. Figure 8 shows informal rice exports by source over the past five seasons.

Imports: DRC remains the main destination for most of the rice traded informally within the region. In March 2009, DRC accounted for about 88 percent of all informal rice imports captured. Zimbabwe came in a distant second with a 6 percent share. Cumulatively; DRC's informal rice imports amounted to 9,333 MT which represented 61 percent of the total captured for the year. These volumes are 38 percent higher than the 6,746 MT recorded last season. Although Zimbabwe's imports of 3,370 MT represented the next largest share of 22 percent, import volumes were down 29 percent from the 4,779 MT recorded last season. Figure 9 shows historical trends in the recorded volumes of informal rice imports. The graph clearly demonstrates that DRC has been the main destination of rice traded informally through cross-border trade. Also indicated is the fact that Zimbabwe has in the past two seasons replaced Malawi in the second position. Table 2 shows a summary of the informal rice trade flows.

Prices: Average nominal rice prices recorded in March 2009 ranged from US\$0.54/kg across Zambia's Mpulungu border in Tanzania to US\$2.50/kg across Mozambique's Machipanda border in Zimbabwe. Prices were highest in Zimbabwe where average prices recorded were US\$2.00/kg and US\$2.50 across Mozambique's Cuchamano and Machipanda border points respectively. In Mozambique, Cuchamano and Machipanda border points recorded average prices of US\$0.73/kg and US\$0.75/kg respectively. In Zambia, Nakonde and Mpulungu border points recorded average prices of US\$1.08/kg and US\$0.90/kg, while for rice bought from across the borders in Tanzania prices averaged at US\$0.81/ kg and US\$0.54/kg respectively. The average price at Kasumbalesa border in Zambia was about US\$1.08/kg and this was reported to sell at about US\$1.17/kg across the border in DRC.

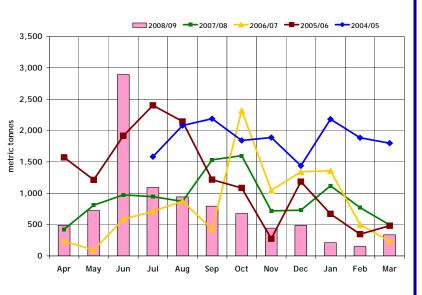
Table 3. Informal cross border BEAN trade by source and destination country (MT)

| Source       | Destination | Total<br>04/05<br>Season | Total<br>05/06<br>Season | Total<br>06/07<br>Season | Total<br>07/08<br>Season | Mar 08 | Mar 09 | Cumulative<br>Apr- Mar<br>07/08 | Cumulative<br>Apr- Mar<br>08/09 |
|--------------|-------------|--------------------------|--------------------------|--------------------------|--------------------------|--------|--------|---------------------------------|---------------------------------|
| Malawi       | Mozambique  | 417                      | 76                       | 269                      | 149                      | 12     | 0      | 149                             | 19                              |
| Malawi       | Tanzania    | 2                        | 0                        | 0                        | 169                      | 0      | 0      | 169                             | 6                               |
| Malawi       | Zambia      | 30                       | 19                       | 268                      | 338                      | 1      | 3      | 338                             | 124                             |
| Malawi       | Zimbabwe    | -                        | -                        | -                        | 480                      | 0      | 0      | 480                             | 0                               |
| Mozambique   | Malawi      | 2,997                    | 2,741                    | 2,798                    | 2,375                    | 84     | 19     | 2,375                           | 3,045                           |
| Mozambique   | Zimbabwe    | 67                       | 4                        | 8                        | 13                       | 0.4    | 0.5    | 13                              | 29                              |
| South Africa | Zimbabwe    | 0                        | 325                      | 83                       | 11                       | 0      | 1      | 11                              | 6                               |
| Tanzania     | Malawi      | 403                      | 2,459                    | 3,646                    | 3,468                    | 82     | 109    | 3,468                           | 2,749                           |
| Tanzania     | Zambia      | 509                      | 472                      | 588                      | 1,058                    | 221    | 41.9   | 1,058                           | 946                             |
| Zambia       | DRC         | 12,019                   | 8,231                    | 2,422                    | 2,487                    | 86     | 28     | 2,487                           | 1,880                           |
| Zambia       | Tanzania    | 0                        | 0                        | 2                        | 0                        | 0      | 0      | 0                               | 0.4                             |
| Zambia       | Zimbabwe    | 372                      | 16                       | 69                       | 170                      | 8      | 14.7   | 170                             | 280                             |
| Total Tr     | aded (MT)   | 16,816                   | 14,343                   | 10,153                   | 10,988                   | 495    | 337    | 10,988                          | 9,235                           |

### Summary of Bean trade flows

Traded volumes of beans in March more than doubled from 151 MT in February to 337 MT. This increase is mainly due to a surge in Mozambique/ Zambia flows over the course of the month. These flows in previous months have always been zero or negligible - the 120 MT recorded in March 2009 is an exception. Figure 10 shows the trends in monthly volume of beans traded informally over the past five seasons. The cumulative volumes traded this year amounted to 9,236 MT, down by 16 percent from 10,988 MT last season. The volume of beans traded has dropped in the past three seasons compared to what was recorded in the first two seasons. The trend shows a more even distribution in bean trade flows compared to maize and rice trade flows. In 2008/09, trade flows between Malawi and Mozambique accounted for the largest share (33 percent) of the overall bean trade with most of the beans moving from Mozambique to Malawi. Malawi/Tanzania bean trade was in second position and accounted for 30 percent share followed by Zambia/DRC trade (which accounted for 20 percent), and Tanzania/ Zambia trade (at 10 percent). These together accounted for over 90 percent of the bean trade in the 2008/09 marketing season.

Figure 7: Recorded Volumes of Informal Cross Border Bean Trade: 2004/05 to 2008/09

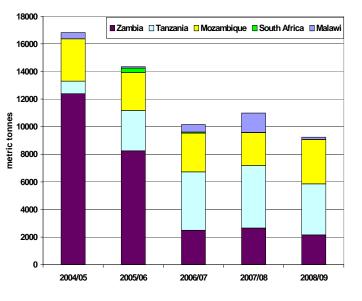


Exports: Mozambique accounted for the largest share (42 percent) of bean exports captured in March 2009. Almost all the beans (a total of 140 MT) went to Zambia and it was the highest ever recorded beans exports from Mozambique to Zambia. Cumulative totals for the year indicate that Tanzania's exports of 3,695 MT accounted for the largest share (40 percent) of recorded informal bean exports. This total was however 18 percent down from last year's total of 4,526 MT. Most (74 percent) of Tanzania's bean exports went to Malawi and the remaining 26 percent to Zambia. Mozambique, with total exports of 3,225 MT was in second position and accounted for 35 percent share. These total exports were 35 percent above the 2,388 MT exported in the previous season. Most of Mozambique's exports went to Malawi. Zambia was in third position with total bean exports amounting to 2,161 MT and representing a 24 percent share of bean exports in the 2008/09 season. Zambia's bean exports were 19 percent down compared to the previous season. Mozambique, Tanzania and Zambia together accounted for over 90 percent of recorded bean exports this season. Figure 11 shows the trends in the volumes of bean exports by source. The graph shows that Zambia was the major source of beans in the first two seasons but her exports dropped significantly in 2006/07 and have remained relatively low in subsequent seasons. Table 3 shows a summary of the bean trade flows.

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Imports: Zambia accounted for the largest share of bean imports in March 2009 with a total of 165 MT and representing 49 percent of all bean imports recorded in that month. However the major importer of beans through informal cross-border trade in the 2008/09 season was Malawi with cumulative bean imports of 5,794 MT, which accounted for 63 percent of total bean imports captured this season. Malawi's beans imports remained almost the same as in the previous season. DRC was in second position with cumulative imports of 1,880 MT or 20 percent of total bean imports. These imports were all from Zambia. Figure 12 shows trends in the volumes of bean imports captured since monitoring began. The graph shows that bean imports by DRC have dropped drastically in the past three seasons while Malawi's imports have remained relatively stable for the whole period. This has resulted in Malawi replacing DRC as the leading destination for informally traded beans in the past three seasons. Apart from data capture problems at the border points, the drop in the DRC's imports could also be due to reduced bean supplies in Zambia - the main source of DRC bean imports.

Figure 10: Cumulative informal BEAN exports by source



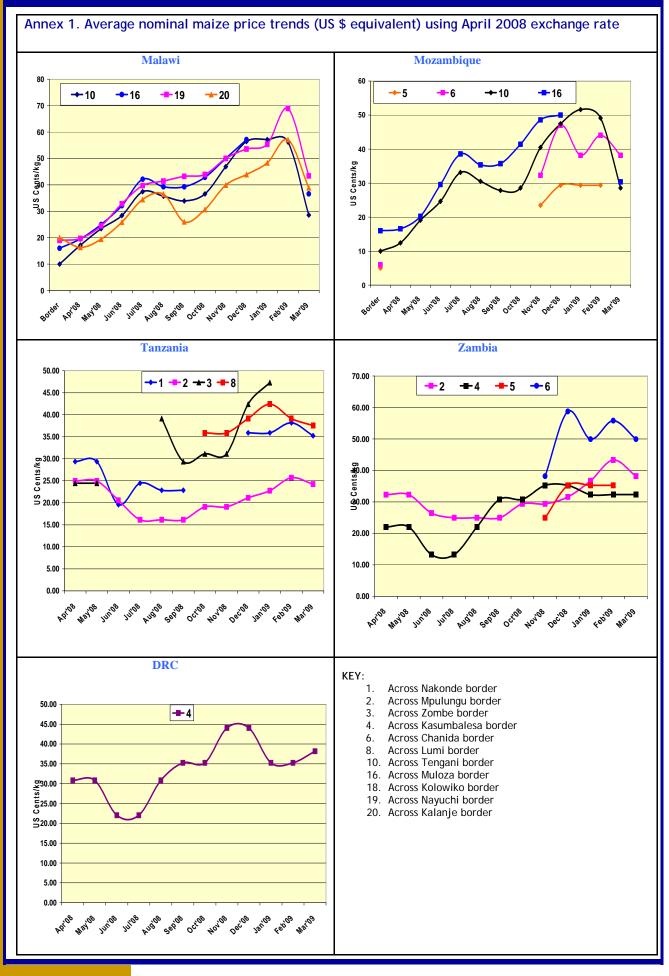
#### 18000 Malawi Zambia Zimbabwe Mozambique South Africa 🗆 Tanzania 16000 14000 12000 tonner 10000 metric 1 8000 6000 4000 2000 0 2004/05 2005/06 2006/07 2007/08 2008/09

Figure 11: Cumulative informal BEAN imports by source

**Prices:** Most of the border points recorded a decline in average nominal bean prices between February and March 2009. Average nominal bean prices ranged from US\$0.40/kg on the Tanzanian side of Zambia's Lumi border point to US\$2.00/kg on the Zimbabwean side of Mozambique's Cuchamano border. At national level, March prices recorded at the border points ranged from US\$0.40/kg to US\$0.76/kg in Tanzania, from US\$0.52/kg to US\$1.39/kg in Zambia, from US\$0.47/kg to US\$1.27/kg in Mozambique, from US\$0.51/kg to US\$1.10/kg in Malawi and from US\$1.50/kg to US\$2.00/kg in Zimbabwe.

#### Page 8

### Page 9



Annex 2: Average nominal maize prices per kg in US Cents equivalent from April 2008 to March 2009

| Border      | Side of Bor- | Anr   | May   | -     | Ξ     | AIIC  | Sen   | Oct   | Nov   | Der   | ue    | Feh   | Mar   | % Change |
|-------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------|
| Mpulungu    | Tanzania     | 24.96 | 25.41 | 22.40 | 15.94 | 16.06 | 15.78 | 13.42 | 13.42 | 14.86 | 15.15 | 15.34 | 14.86 |          |
| Kasumbalesa | Zambia       | 22.03 | 22.42 | 14.40 | 13.04 | 21.90 | 30.13 | 21.67 | 24.77 | 24.77 | 21.50 | 19.28 | 19.82 | 3%       |
| Tengani     | Mozambique   | 12.43 | 19.11 | 24.64 | 33.14 | 30.54 | 27.86 | 28.57 | 40.48 | 47.43 | 51.61 | 49.11 | 21.43 | -56%     |
| Nakonde     | Tanzania     | 29.37 | 29.90 | 21.34 | 24.14 | 22.72 | 22.32 |       |       | 25.23 | 23.89 | 22.79 | 21.62 | -5%      |
| Lumi        | Tanzania     |       |       |       |       |       |       | 25.22 | 25.22 | 27.52 | 28.23 | 23.37 | 23.03 | -1%      |
| Sankhulani  | Mozambique   | 15.43 | 12.38 | 22.38 | 26.86 |       | 36.93 | 37.14 |       | 50.71 | 52.86 | 52.86 | 23.21 | -56%     |
| Kasumbalesa | DRC          | 30.84 | 31.39 | 24.00 | 21.74 | 30.66 | 34.43 | 24.77 | 30.96 | 30.96 | 23.45 | 21.03 | 23.42 | 11%      |
| Chanida     | Mozambique   |       |       |       |       |       |       |       | 32.31 | 33.02 | 25.41 | 26.29 | 23.42 | -11%     |
| Mpulungu    | Zambia       | 32.31 | 32.88 | 28.80 | 24.64 | 24.82 | 24.39 | 20.64 | 20.64 | 22.19 | 24.43 | 25.85 | 23.42 | -9%      |
| Makhanga    | Mozambique   | 14.00 | 19.64 | 24.82 | 32.29 | 34.64 | 33.57 | 32.29 | 40.71 | 50.86 | 52.86 | 50.89 | 24.29 | -52%     |
| Nakonde     | Zambia       | 35.24 | 35.87 | 24.90 | 25.77 | 24.32 | 25.51 | 0.00  | 0.00  | 25.23 | 23.89 | 25.42 | 25.23 | -1%      |
| Kolowiko    | Mozambique   | 11.43 | 15.18 | 19.46 | 30.00 | 25.36 | 25.00 | 33.04 | 41.67 | 45.00 | 41.07 | 49.11 | 25.89 | -47%     |
| Zombe       | Zambia       | 26.75 | 27.23 |       |       |       | 34.43 | 25.18 | 25.18 | 36.69 | 35.83 | 29.22 | 27.03 | -7%      |
| Tengani     | Malawi       | 17.14 | 23.39 | 28.39 | 37.43 | 35.71 | 33.93 | 36.57 | 46.90 | 56.43 | 57.14 | 56.25 | 28.57 | -49%     |
| Naminkhaka  | Mozambique   | 12.86 | 17.68 | 24.11 | 34.14 | 26.61 | 23.93 | 33.04 | 41.67 | 49.29 | 52.50 | 53.75 | 28.57 | -47%     |
| Makhanga    | Malawi       | 17.00 | 22.50 | 27.68 | 37.43 | 39.64 | 38.57 | 37.14 | 46.43 | 60.57 | 60.00 | 58.93 | 29.64 | -50%     |
| Chanida     | Zambia       |       |       |       |       |       |       |       | 38.18 | 41.28 | 33.22 | 33.30 | 30.63 | -8%      |
| Songwe      | Tanzania     |       |       | 23.93 | 24.14 | 29.02 |       |       |       | 30.36 | 32.86 | 35.71 | 32.14 | -10%     |
| Sankhulani  | Malawi       | 19.14 | 14.29 | 24.86 | 31.71 |       | 41.07 | 40.00 |       | 57.14 | 57.14 | 57.14 | 32.14 | -44%     |
| Kalanje     | Mozambique   | 13.95 | 16.28 | 20.48 | 30.04 | 32.04 | 23.37 | 25.21 | 33.61 | 38.45 | 40.96 | 44.91 | 33.08 | -26%     |
| Marine      | Mozambique   | 9.14  | 15.71 | 17.14 | 23.71 | 28.57 | 28.57 | 28.57 | 40.48 | 50.86 | 55.36 | 53.04 | 35.89 | -32%     |
| Kalanje     | Malawi       | 16.35 | 19.43 | 25.91 | 34.45 | 36.50 | 25.99 | 30.67 | 39.91 | 43.91 | 48.32 | 57.08 | 38.87 | -32%     |
| Naminkhaka  | Malawi       | 17.29 | 21.79 | 28.04 | 37.00 | 32.68 | 28.57 | 36.25 | 49.29 | 55.71 | 57.14 | 66.07 | 39.29 | -41%     |
| Songwe      | Malawi       |       |       | 32.86 | 36.93 | 44.46 |       |       |       | 45.36 | 46.16 | 47.41 | 40.63 | -14%     |
| Nayuchi     | Mozambique   | 17.43 | 21.25 | 29.29 | 35.86 | 37.14 | 37.86 | 38.04 | 44.05 | 48.57 | 51.79 | 61.79 | 40.71 | -34%     |
| Kolowiko    | Malawi       | 15.71 | 20.54 | 27.14 | 38.14 | 32.68 | 29.46 | 40.18 | 50.00 | 57.86 | 55.36 | 66.96 | 41.07 | -39%     |
| Nayuchi     | Malawi       | 19.71 | 24.46 | 32.86 | 39.71 | 41.43 | 43.21 | 43.93 | 50.00 | 53.57 | 55.36 | 68.93 | 43.39 | -37%     |
| Mkumaniza   | Mozambique   | 14.86 | 17.86 | 20.00 | 23.43 | 28.57 | 28.57 | 28.57 | 38.10 | 42.86 | 47.86 | 48.57 | 44.29 | -9%      |
| Marka       | Mozambique   | 10.89 | 15.00 | 21.43 | 29.29 | 34.46 | 39.64 | 42.00 | 50.00 | 55.71 | 57.86 | 60.48 | 46.43 | -23%     |
| Marine      | Malawi       | 14.00 | 21.43 | 25.36 | 38.57 | 42.14 | 40.36 | 42.86 | 53.81 | 62.86 | 62.50 | 64.29 | 48.21 | -25%     |
| Mkumaniza   | Malawi       | 20.29 | 23.57 | 24.29 | 27.71 | 35.71 | 35.71 | 35.71 | 44.76 | 50.00 | 53.93 | 54.29 | 51.07 | -6%      |
| Cuchamano   | Mozambique   | 11.78 | 16.48 | 23.60 | 30.75 | 35.52 | 35.37 | 47.17 | 58.00 | 73.00 | 56.00 | 44.00 | 53.00 | 20%      |
| Marka       | Malawi       | 13.93 | 18.57 | 25.71 | 34.29 | 39.64 | 44.64 | 47.14 | 57.14 | 62.50 | 64.29 | 67.86 | 60.71 | -11%     |
| Machipanda  | Mozambique   | 30.60 |       | 35.43 | 35.47 | 0.00  | 58.98 | 61.33 | 59.00 | 73.00 |       | 65.00 | 64.00 | -2%      |

| P | а | C | е     | 1 | 1 |
|---|---|---|-------|---|---|
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### Informal Cross Border Food Trade in Southern Africa

2,360 3,312

1,055 1,016

1,718

1,155 

i

34 0

-

Zimbabwe

Malawi Zambia

Zambia

1,691

41 .

1,086 

1,028

<del>, -</del>

-

1,456

2,532

Malawi

Mozambique Malawi Mozambique

Zimbabwe Zimbabwe

17,434

5,182

6,533

3,408

2,311

7,003

1,730

2,606

16,620

1,303

1,210

6,045

8,062

16,355

Mozambique Zin South Africa Zin Total Traded (MT)

ω

## Annex 3: Trade Tables

|   |                         |          |          |        |          |        |        |            |          |          |            |            |            |            |            |              |                   |   |                         | -        |          |          |        |        |
|---|-------------------------|----------|----------|--------|----------|--------|--------|------------|----------|----------|------------|------------|------------|------------|------------|--------------|-------------------|---|-------------------------|----------|----------|----------|--------|--------|
|   | 2007/08<br>Season       | 4,980    | 433      | 2,500  | 4        | 1,779  | 33,424 | 56,078     | 1,581    | 1,888    | 11         | 2,113      | 3,755      | 0          | 129        | 47           | 108,679           |   | 2007/08<br>Season       | 397      | 1,568    | 100      | 6,746  | 30     |
|   | Jan- Mar<br>08          | 338      | 0        | 2,454  | 0        | 274    | 3,880  | 7,324      | 1,025    | 1,065    | 9          | 65         | 1,786      | 0          | 24         | 1            | 18,417            |   | Jan-<br>Mar 08          | 77       | 23       | 100      | 3,349  | 30     |
|   | Oct-Dec<br>07           | 1,158    | 11       | 3      | 0        | 171    | 10,377 | 7,712      | 137      | 8        | -          | 489        | 1,786      | 0          | 45         | 17           | 22,221            |   | Oct-<br>Dec 07          | 84       | 761      | 0        | 2,658  | 0      |
|   | Jul-<br>Sep 07          | 2,649    | 179      | 21     | 0        | 427    | 11,044 | 19,648     | 348      | 0        | 0          | 1,084      | 86         | 0          | 48         | 10           | 35,544            |   | Jul-Sep<br>07           | 140      | 421      | 0        | 486    | 0      |
|   | Apr-<br>Jun<br>07       | 835      | 243      | 22     | 4        | 607    | 8,123  | 21,394     | 71       | 0        | 4          | 475        | 79         | 0          | 12         | 6            | 32,49<br>6        |   | Apr-<br>Jun 07          | 96       | 363      | 0        | 253    | 0      |
|   | 2006/0<br>7 Sea-<br>son | 6,260    | 299      | 378    | 7        | 202    | 9,481  | 77,394     | 2,928    | 1,888    | 2,085      | 1,269      | 591        | 2          | 294        | 49           | 103,12<br>7       |   | 2006/07<br>Season       | 557      | 1,217    | 4        | 1,697  | 0      |
|   | Jan-<br>Mar 07          | 2,559    | 295      | 26     | 7        | 46     | 4,344  | 7,120      | 64       | 1,705    | 2,075      | 342        | 574        | 0          | 89         | 6            | 19,255            |   | Jan-<br>Mar 07          | 124      | 315      | 0        | 295    | 0      |
|   | Oct-Dec<br>06           | 2632     | -        | 45     | 0        | 27     | 3189   | 15726      | 55       | 183      | 9          | 811        | 17         | 0          | 147        | 15           | 22854             |   | Oct-Dec<br>06           | 165      | 106      | 0        | 1125   | 0      |
|   | Jul-<br>Sep 06          | 751      | 0        | 249    | 0        | 65     | 956    | 27,069     | 451      | 0        | 0          | 111        | 0          | 0          | 43         | 8            | 29,703            |   | Jul-<br>Oct<br>06       | 168      | 740      | 0        | 231    | 0      |
|   | Apr-<br>Jun 06          | 318      | 3        | 58     | I        | 64     | 992    | 27,479     | 2,358    | 1        | 4          | 2          | ı          | 2          | 15         | 17           | 31,315            |   | Apr-<br>Jun<br>06       | 100      | 56       | 4        | 46     |        |
|   | 2005/06<br>Season       | 13,556   | 182      | 419    | ı        | 81     | 4,682  | 71,218     | 944      | 84,862   | £          | 49         | 133        | 55         | 85         | 1,688        | 177,959           |   | 2005/06<br>Season       | 641      | 135      | 912      | 12,629 | 0      |
|   | Jan-<br>Mar 06          | 1,273    | 62       |        | 1        | 17     | 33     | 6,307      | 309      | 49,579   |            | •          | 133        | 55         | 85         | 226          | 58,079            |   | Jan-<br>Mar 06          | 178      |          | L61      | 114    | '      |
|   | Oct-Dec<br>05           | 4,201    | 21       | 349    | ı        | 51     | 531    | 8,981      | 358      | 33,601   | Ţ          | 20         |            | ,          | ·          | 55           | 48,168            |   | Oct-Dec<br>05           | 172      | 0        | 108      | 069    | 0      |
| Ē   | Jul-Sep<br>05           | 7,685    | 13       | 36     | ı        | 5      | 1,641  | 26,866     | 174      | 1,211    | ю          | 24         | ,          | ı          | ı          | 921          | 38,579            | (   | Jul-<br>Sep 05          | 184      | 61       | 4        | 5,661  | 0      |
| Maize (M  | Apr-<br>Jun 05          | 397      | 86       | 34     |          | ω      | 2,477  | 29,064     | 103      | 471      | 2          | 2          |            | ·          |            | 486          | 33,133            | Rice (MI  | Apr-<br>Jun 05          | 66       |          | 3        | 6,164  | ı      |
| er trade in                                       | 2004/05<br>Season       | 3,699    | 13,106   | 2,157  | 93       | 34     | 8,318  | 71,229     | 637      | 2,656    | 2          | ı          | •          | •          | ı          | ı            | 101,929           | der trade ir                                      | 2004/0<br>5 Sea-<br>son | 547      | 450      | 70       | 12,644 | 0      |
| Table 4 Informal Cross Border trade in Maize (MT) | Destination             | Zambia   | Zimbabwe | Malawi | Tanzania | Zambia | DRC    | Malawi     | Tanzania | Malawi   | Zimbabwe   | Zambia     | Mozambique | Mozambique | Mozambique | Zimbabwe     | (MT)              | Table 5: Informal Cross Border trade in Rice (MT) | Destination             | Zambia   | Tanzania | Malawi   | DRC    | Malawi |
| Table 4 Infor-                                    | Source                  | Tanzania | Zambia   | Zambia | Zambia   | Malawi | Zambia | Mozambique | Malawi   | Tanzania | Mozambique | Mozambique | Malawi     | Zambia     | Zimbabwe   | South Africa | Total Traded (MT) | Table 5: Info                                     | Source                  | Tanzania | Malawi   | Tanzania | Zambia | Zambia |

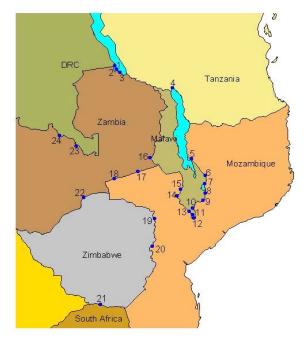
#### Table 6: Informal cross border trade in beans (MT)

| Source    | Desti-<br>nation | 2004/05<br>Season | Apr-<br>Jun<br>05 | Jul-<br>Sep<br>05 | Oct-<br>Dec<br>05 | Jan-<br>Mar<br>06 | 2005/0<br>6<br>Season | Apr-<br>Jun<br>06 | Jul-<br>Sep<br>06 | Oct-<br>Dec<br>06 | Jan-<br>Mar<br>07 | 2006/07<br>Season | Apr-<br>Jun<br>07 | Jul-<br>Sep<br>07 | Oct-<br>Dec<br>07 | Jan-<br>Mar 08 | 2007/08<br>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               | 1341              | 1,247          | 3,468             |
| RSA       | Zim              | 0                 | 165               | 152               | 4                 | 4                 | 325                   | 3                 | 2                 | 66                | 12                | 83                | 3                 | 5                 | 2                 | 1              | 11                |
| Total Tra | aded (MT)        | 16,816            | 4,577             | 5,756             | 2,547             | 1,463             | 14,343                | 1329              | 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

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Cross - Border Monitoring Sites, 2007



#### NAME OF BORDER

| 1.Mulungu / Kigoma  | 13.Marine  |
|---------------------|------------|
| 2.Zombe / Kasesya   | 14.Mkuma   |
| 3.Nakonde / Tunduma | 15.Mwanz   |
| 4.Songwe / Kasumuru | 16.Mchinji |
| 5.Kalanje           | 17.Marowe  |
| 6.Nayuchi           | 18.Chadiz  |
| 7.Naminkhakha       | 19.Nyama   |
| 8.Kolowikho         | 20.Machip  |
| 9.Muloza            | 21.Messin  |
| 10.Sankhulani       | 22.Chirun  |
| 11.Tengani          | 23.Mokan   |
| 12.Marka            | 24.Kasum   |

14.Mkumaniza 15.Mwanza 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