

# Informal Cross Border Food Trade in Southern Africa

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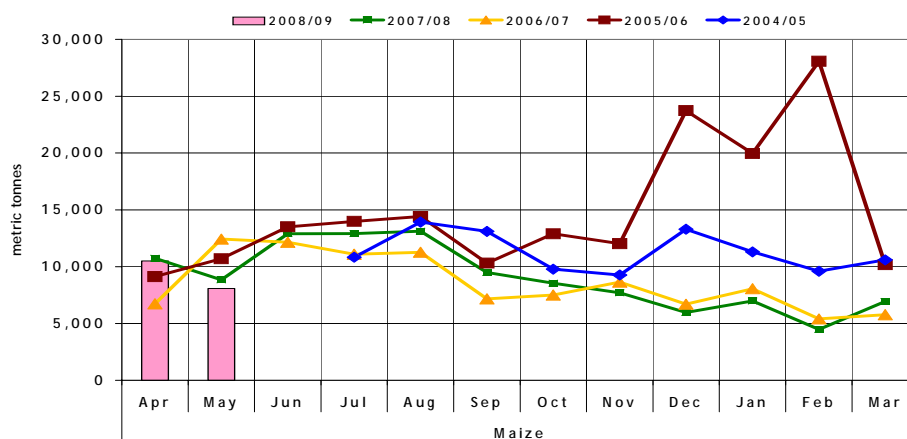
May 2008

## Summary

- Overall volume of informally traded maize, rice and beans declined by 15 percent, with 10,171 MT traded compared to 11,915 MT in April. The cumulative volume over the first two months of the 2008/09 marketing season amounts to 22,086 MT, almost the same as the volume traded during the same period last season. As usual maize accounts for more than three quarters of the trade (79 percent). Rice trade accounted for 13 percent and beans, 8 percent.
- Mozambique remains the largest source of maize most of which (99 percent) is destined for Malawi. Compared to the same time last season, Mozambique's share of maize exports has increased from 69 percent to 89 percent this season. Actual volumes recorded rose from 13,483 MT (April and May 2007) to 16,550 MT over the same period this year.
- Anecdotal reports indicate that Zambia, Malawi and Tanzania have imposed export bans or trade restrictions in maize and other food crops in order to protect domestic food stocks. Although this will help prop up local food supplies, it may negatively affect food availability in areas that rely on formal and informal food imports from these countries.
- Zimbabwe's cross border informal maize imports remain insignificant when compared to the size of the country's deficit. This is largely the result of stringent trade controls, but also the inability of the monitoring system to capture the significant inflows that occur at unofficial crossing points, and those coming through as groceries brought over by returning residents. Nonetheless, formal imports (some 30,000 MT) captured through the system are quite significant.
- Nominal maize prices (in US Dollar equivalent) increased across most border points between April and May, despite this being the peak of the harvest period. Current levels are also significantly higher than at the same time last season. The upward trend is expected to continue throughout the season in line with the global increase in food prices. This is raising fears of even higher prices during this year's lean period that lasts from December to February.

## Summary of Maize trade flows

Figure 1: Recorded volumes of informal trade in maize amongst the monitored countries - 2004/05 to 2008/09 marketing seasons



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.

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

Source	Destination	Total 04/05 Season	Total 05/06 Season	Total 06/07 Season	Total 07/08	May 07	May 08	Cumula- tive Apr- May 07/08	Cumulative Apr-May 08/09
Malawi	Mozambique	0	133	591	3,755	31	19	68	42
Malawi	Tanzania	637	944	2,928	1,581	23	4	44	196
Malawi	Zambia	34	81	202	1,779	283	56	294	86
Mozambique	Malawi	71,229	71,218	77,394	56,078	7130	7248	13188	16465
Mozambique	Zambia	0	49	1,269	2,113	234	46.4	295	76
Mozambique	Zimbabwe	2	5	2,085	11	0	6	0	0
South Africa	Zimbabwe	0	1,688	49	47	3	2.7	6	11
Tanzania	Malawi	2,656	84,862	1,888	1,073	0	3	0	4
Tanzania	Zambia	3,699	13,556	6,260	4,980	282	117.6	595	237
Zambia	DRC	8,318	4,682	9,481	33,424	844	556.5	4618	1171
Zambia	Malawi	2,157	419	378	2,500	11	0	19	255
Zambia	Mozambique	0	55	2	0	0	0	0	0
Zambia	Tanzania	93	0	7	4	3	1.5	4	2
Zambia	Zimbabwe	13,106	182	299	433	0	0	150	0
Zimbabwe	Mozambique	0	85	294	129	0	0	12	1
Zimbabwe	Zambia	-	-	-	166	0	18.8	0	31
<b>Total Traded (MT)</b>		<b>101,929</b>	<b>177,959</b>	<b>103,127</b>	<b>5,782</b>	<b>8844</b>	<b>8080</b>	<b>19593</b>	<b>18583</b>

**Exports:** Mozambique maintained the lead as the major source of the maize captured by the monitoring system accounting for 89 percent of all the maize exports captured. This represents a 20 percent increase from last season's share at the same time; and is partly attributable to the fact that Mozambique has not imposed any export bans. Mozambique's cumulative exports this season amount to 16, 550 MT compared to 13,483 MT during the same period this year. The larger volume of trade could be an indication of the lower levels of surplus in southern Malawi when compared to last year. Zambia's share of total exports, at 8 percent, is significantly lower when compared to last year; and volume of total exports (1,427 MT) is down 70 percent from last season (4,791 MT). The drop in the Zambia exports is attributable to the export ban imposed early in 2008. During this period, Mozambique and Zambia accounted for almost all the maize exports (97 percent) captured by the monitoring system during this period.

**Imports:** Malawi continues to be the major importer of maize irrespective of whether the country has a maize surplus or not. By May 2008, Malawi had imported 16,724 MT, up by 27 percent from the same period last season. This accounted for 90 percent of the maize imports captured by the monitoring system during this period. The relatively high maize prices that prevailed in Malawi during this period provided an incentive for traders to import maize. Almost all the maize (99 percent) imported by Malawi came from Mozambique. Table 1 shows maize trade flows across the monitored countries.

### Formal maize imports and exports

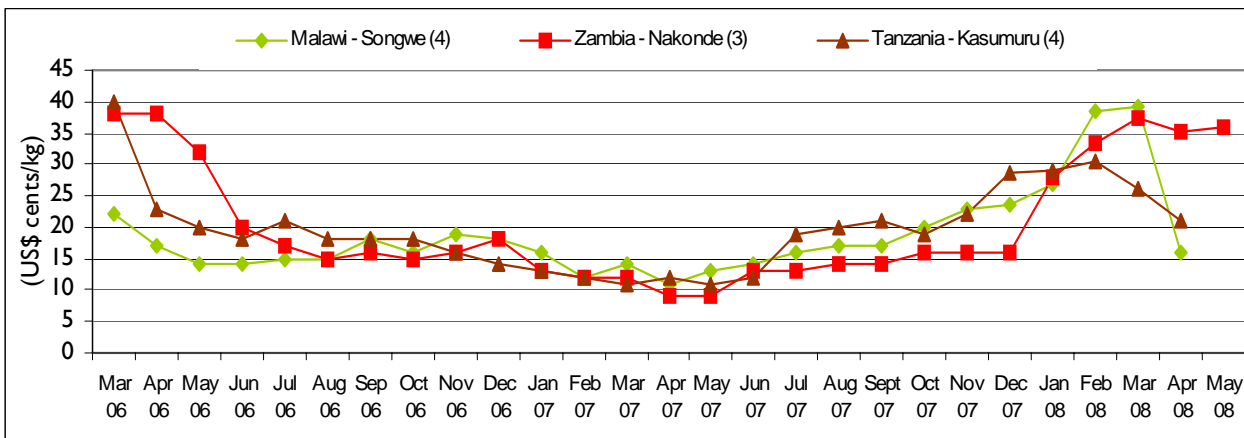
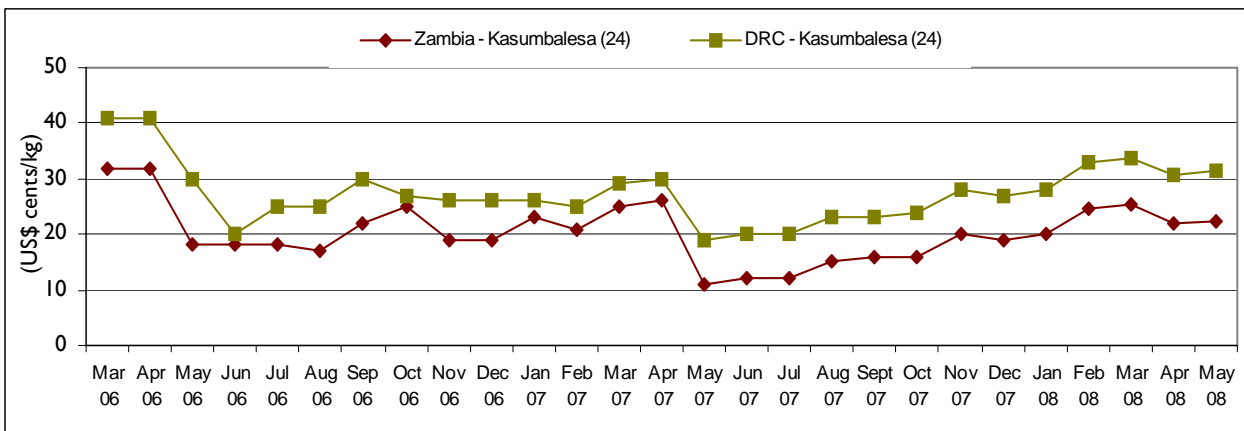
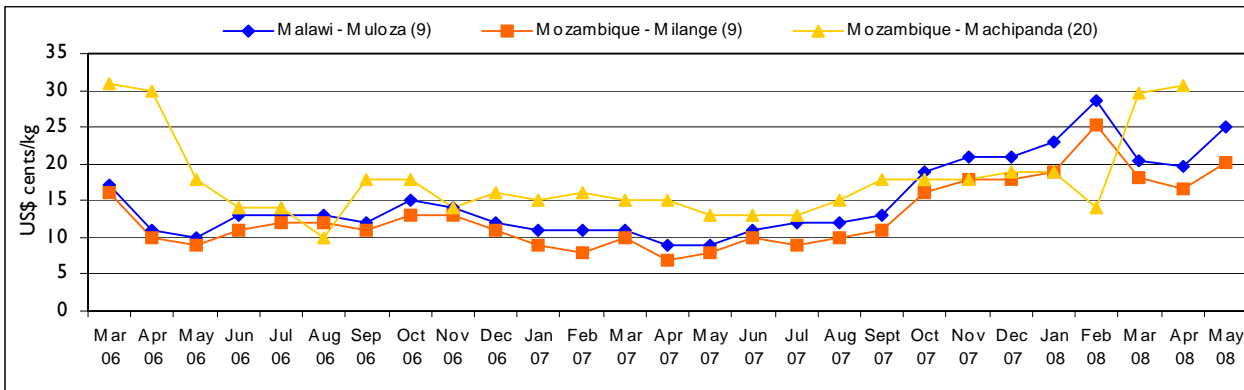
Zimbabwe continues to receive official maize imports from Zambia; the monitoring system captured 7,852 MT of maize flows from Zambia to Zimbabwe. Nonetheless, this is less than half of what was captured in the previous month; an indication that export contracts concluded prior to the export ban (and allowed to run their course), are now coming to an end. Cumulative official maize exports from Zambia to Zimbabwe over the first two months of the 2008/09 marketing season amount to 29,768 MT. When official maize trade captured through the system is added to informally traded maize; Zimbabwe tops the list of maize imports during the first two months of the 2008/09 marketing season.

South Africa also made official exports to monitored countries over the period under consideration. These were captured through the South African Grain Information Service (SAGIS) as 6,688 MT to Mozambique, and 40,521 MT to Zimbabwe. Although these have not been captured through the informal trade monitoring system, they are presented here to provide a more comprehensive picture of maize trade flows (whether formal or informal) among the selected countries.

### Maize price trends at selected border points

Almost all the border points recorded an increase in maize prices between April and May 2008. The increases ranged from 13 percent on the Mozambican side of Chikalawa border with Zambia to 72 percent on the Mozambican side of Marine Border with Malawi. Figures 2a - 2c show price trends in some selected markets. Average nominal maize prices in US\$ equivalent ranged from US\$0.12/kg on the Mozambican side of Chikalawa border to US\$0.36/kg at Mpulungu border in Zambia. Generally, relatively high maize prices were recorded on the DRC side of Kasumbalesa border (US\$0.31/kg), Nakonde in Zambia (US\$0.36/kg) and Mpulungu (US\$0.33/kg) border also in Zambia. The maize prices in May this year are generally two to four times higher compared to the same period last season.

Figures 2a, 2b and 2c: Retail maize prices in selected border points (US\$ cents per kg)



## Summary of Rice trade flows

The volume of rice traded in May 2008 as captured by the monitoring system was about 1,368 MT, up by 48 percent compared to the previous month. This resulted in cumulative amount of rice traded in the first two months of the 2008/09 marketing season of 2,291 MT, up by 56 percent compared to the same period last season. The increase is probably due to (i) traders switching to rice as some countries imposed maize export bands and, (ii) commencement of rice harvesting in some parts of the region. Figure 3 shows the trends in volume of rice traded since 2004/05.

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

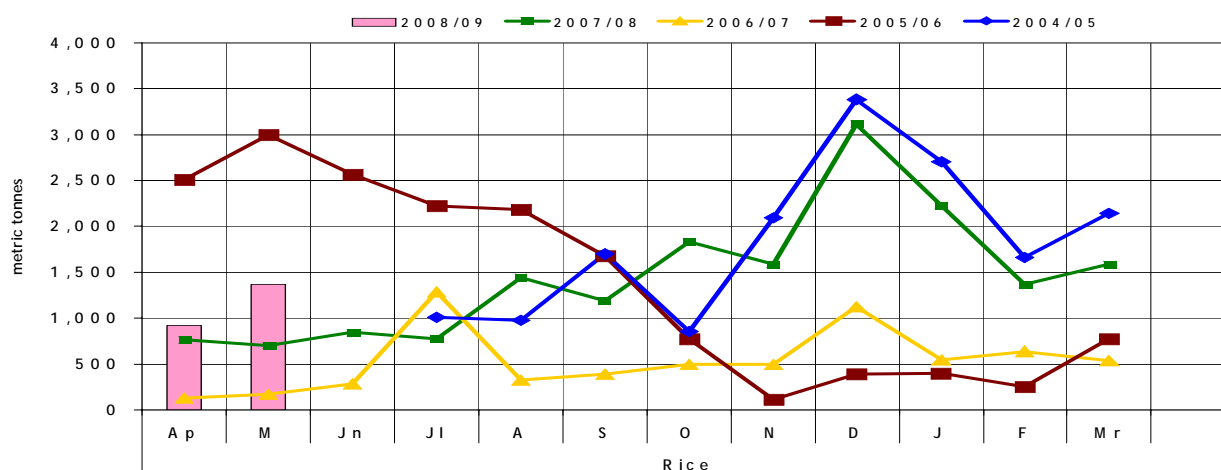
Source	Destination	Total 04/05 Season	Total 05/06 Season	Total 06/07 Season	Total 07/08 Season	May 07	May 08	Cumulative Apr-May 07/08	Cumulative Apr-May 08/09
Malawi	Mozambique	1	12	1	822	0	7	0	7
Malawi	Tanzania	450	135	1,217	1,568	136	203	151	222
Malawi	Zambia	1	31	74	2,360	165	270	255	390
Malawi	Zimbabwe	-	-	-	405	0	0	195	0
Mozambique	Malawi	2532	1,691	1,718	444	46	25	64	62
Mozambique	Zimbabwe	58	399	850	1,028	99	136	191	224
South Africa	Zimbabwe	0	64	82	33	2	2	4	4
Tanzania	Malawi	70	912	4	100	0	0	0	119
Tanzania	Zambia	547	641	557	397	38	37.1	64	62
Zambia	DRC	12644	12,629	1,697	6,746	35	556.8	242	922
Zambia	Malawi	0	0	0	30	0	0	0	0
Zambia	Zimbabwe	50	106	803	3,312	180	130.8	299	279
Zimbabwe	Zambia	0	0	0	185	0	0	0	0
<b>Total Traded (MT)</b>		<b>16,355</b>	<b>16,620</b>	<b>7,003</b>	<b>17,434</b>	<b>1,587</b>	<b>1,368</b>	<b>1,465</b>	<b>2,291</b>

**Exports:** Zambia supplied over half of the rice captured by the monitoring system in the first two months of the 2008/09 marketing season, making it the highest informal exporter of rice. Volumes exported more than doubled from 541 MT last season to 1,202 MT during the same period this season. Malawi's exports, at 619 MT accounted for 27 percent of the total, and are so far not significantly different from what they were at the same time last season. The remaining exports were by Mozambique (12 percent), and Tanzania (8 percent).

**Imports:** DRC still leads as number one importer rice captured through the monitoring system accounting for 40 percent all rice imports, a marked jump from only 11 percent during the same period last season. This is because DRC rice imports almost quadrupled from 242 MT last season to 922 MT this season. All this rice came from Zambia. Zimbabwe has dropped to second position from being the highest importer by this time last season to second highest this season with 507 MT of rice imports. Zimbabwe's imports account for 22 percent of rice imports captured by the monitoring system so far this season. Almost all the rice to Zimbabwe also came from Zambia. Table 2 shows the trends in rice trade since 2004/05.

**Prices:** The most active border points in terms of rice trade are Kasumbalesa between Zambia and DRC, Mchinji between Malawi and Zambia and Songwe between Malawi and Tanzania. Rice prices remained almost the same at these border points expect at Songwe border where prices dropped 18 percent and 22 percent on the Malawian and Tanzanian sides of the border respectively. This is attributed to improved supplies with the onset of rice harvests in the area. Rice prices at these three border points ranged from US\$0.54/kg on the Malawian side of Songwe border to US\$2.14/kg on the Zambian side of Mchinji border with Malawi.

Figure 3: Recorded Volumes of Informal Cross Border Rice Trade –2004/05 to 2008/09



## Summary of Bean trade flows

The volume of beans traded informally increased by 48 percent from 488 MT in April to 724 MT in May 2008, bringing the cumulative volume of beans traded in the first two months of the 2008/09 marketing season to 1,212 MT. This is almost the same as the volume of beans captured by the monitoring system during the same period last season. Figure 4 shows the trends in volume of beans traded since 2004/05.

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

Source	Destination	Total 04/05 Season	Total 05/06 Season	Total 06/07 Season	Total 07/08 Season	May 07	May 08	Cumula- tive Apr- May 07/08	Cumulative Apr-May 08/09
Malawi	Mozambique	417	76	269	149	10	0	79	2
Malawi	Tanzania	2	0	0	169	0	0	0	0
Malawi	Zambia	30	19	268	338	83	23	103	37
Malawi	Zimbabwe	-	-	-	480	0	0	0	0
Mozambique	Malawi	2,997	2,741	2,798	2,375	152	243	164	341
Mozambique	Zimbabwe	67	4	8	13	1	.7	2	1
South Africa	Zimbabwe	0	325	83	11	1	0	2	1
Tanzania	Malawi	403	2,459	3,646	3,468	0	96	0	132
Tanzania	Zambia	509	472	588	1,058	190	96.3	413	293
Zambia	DRC	12,019	8,231	2,422	2,487	352	242.8	445	361
Zambia	Tanzania	0	0	2	0	0	0	0	0
Zambia	Zimbabwe	372	16	69	170	21	21.3	27	43
<b>Total Traded (MT)</b>		<b>16,816</b>	<b>14,343</b>	<b>10,153</b>	<b>10,988</b>	<b>810</b>	<b>724</b>	<b>1,235</b>	<b>1,212</b>

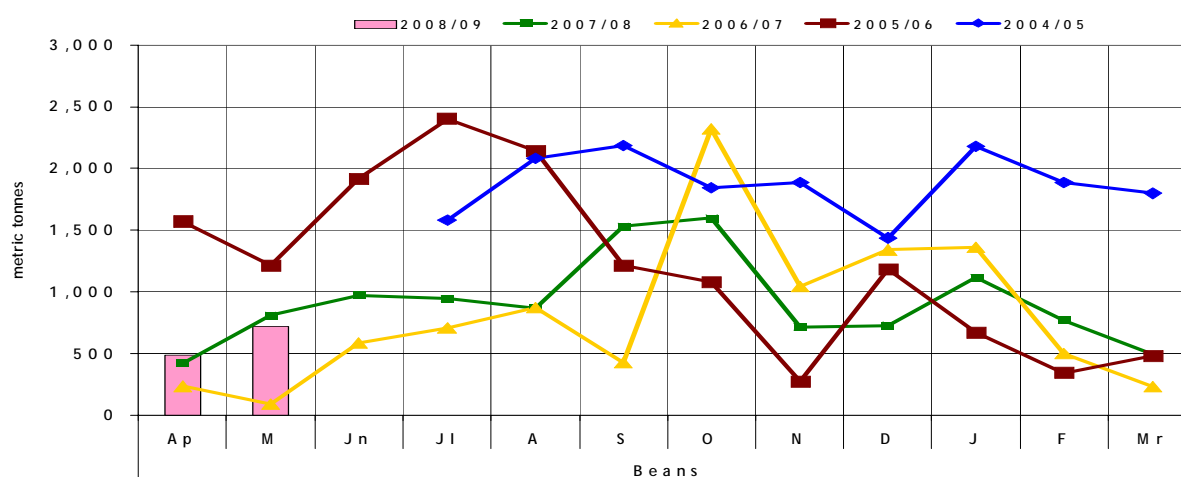
**Exports:** Tanzania, Mozambique and Zambia accounted for 96 of all bean exports captured by the monitoring system so far this season. Tanzania accounted for 35 percent, Zambia, 33 percent, and Mozambique, 28 percent of all bean exports in the first two months of this marketing season.

**Imports:** DRC, Malawi and Zambia accounted for 96 percent of the all bean imports captured by the monitoring so far this season. DRC, Malawi and Zimbabwe accounted for 30 percent, 39 percent and 27 percent of the beans imports respectively. Table 3 shows a summary of the beans trade flows.

**Prices:** Generally there was an increase in bean prices between April and May 2008. Increases ranged from 8 percent on the Malawian side of Mquocha border with Zambia to 23 percent at Mpulungu border in Zambia. Bean prices in May 2008 ranged from US\$0.56/kg on the Mozambican side of Kalanje border between Malawi and Mozambique to US\$1.26/kg on the Zambian side of Mquocha border with Malawi.

**Official beans trade:** The monitoring system also captured about 4 MT of formal bean exports from Tanzania to Zambia bringing cumulative official bean exports from Tanzania to Zambia for the first two months of the season to about 33 MT.

Figure 4: Recorded Volumes of Informal Cross Border Bean Trade—2004/05 to 2008/09



## Annex 1: Trade Tables

Table 4 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	2,632	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 5: 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

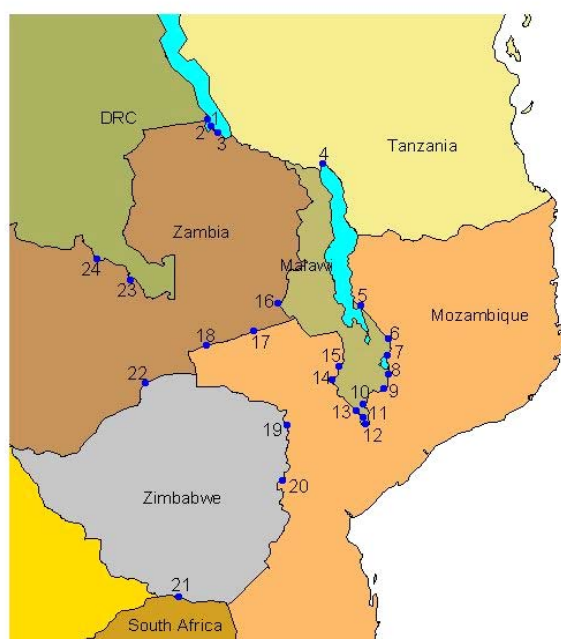
## Annex I (continued)

Table 6: 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
<b>Total Traded (MT)</b>		<b>16,816</b>	<b>4,577</b>	<b>5,756</b>	<b>2,547</b>	<b>1,463</b>	<b>14,343</b>	<b>1,329</b>	<b>2,031</b>	<b>3,360</b>	<b>2,092</b>	<b>10,153</b>	<b>2,208</b>	<b>3,348</b>	<b>3,048</b>	<b>2,384</b>	<b>10,988</b>

*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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