

East Africa Cross-border Trade Bulletin: October-December 2011

Issue 4

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The Market Analysis Sub-group of the Food Security and Nutrition Working Group (FSN WG) monitors cross-border trade of 88 food commodities and livestock in 26 cross-border markets in eastern Africa in order to quantify the contribution of formal and informal cross-border trade to food security in the region.

This issue provides an overview of cross-border trade across all the 26 monitored markets between October and December 2011¹.

Summary

- About 49,000 MT of cereals (maize, rice, wheat, and sorghum) were recorded across 26 monitored cross-border markets (Figure 1) between October and December 2011, accounting for 39 per cent of food total food commodities traded.
- Tanzania and Ethiopia were the key source countries of the traded food commodities while Kenya, Sudan and South Sudan were the main importing countries.
- The total number of livestock traded between October and December was estimated at about 355,000 heads. Cattle continued to dominate cross-border trade accounting for 60 per cent of total volume.

1. Main food commodities traded

Maize continued to be the most traded commodity with 27,019 MT recorded as moved across the borders between October and December 2011 (Figure 2). Other commodities were beans (22,636 MT), sesame (21,310 MT), rice (10,245 MT) and wheat (6,768 MT). About 8,644 MT of salt was also traded during this period.

Most (around 80 per cent) of the maize traded originated from Tanzania and was imported into Kenya through the Namanga border market, where 10,226 MT was recorded in October 2011 just after the easing of the export ban by the government of Tanzania. Most of this October flow was formal and was driven by the relatively high prices than existed in the Kenyan markets compared to those in Tanzania (Figure 3). Between May and September 2011, only 6,500 MT of maize had been traded from Tanzania into Kenya through Namanga, ostensibly due to the export ban.

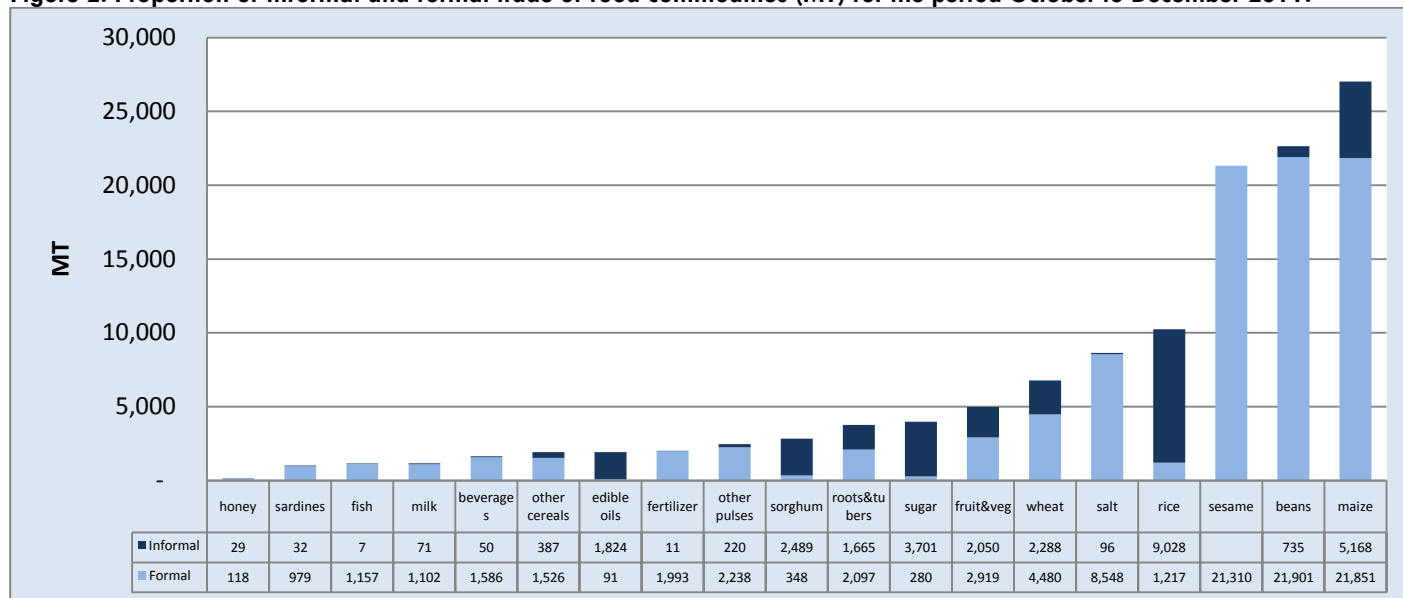
Approximately 60 per cent of beans (mainly Fava beans) traded this quarter crossed from Ethiopia into Sudan through Metema border market. Similarly, about 85 per cent of sesame traded crossed from Ethiopia into Sudan through the Humera border with highest volumes recorded in December 2011.

Figure 1. Cross border markets monitored



¹ This bulletin is based on data collected on livestock and food from 26 cross-border markets in 6 countries of the Horn of Africa (Djibouti, Ethiopia, Kenya, Somalia, Tanzania and Uganda) for the period October to December 2011. Comparisons with previous quarter (July – Sept 2011) may be restricted since all the Djibouti border points and Nimule (UG-SSU) in Uganda stopped sending data mid-way during the quarter due to logistical problems.

Figure 2: Proportion of informal and formal trade of food commodities (MT) for the period October to December 2011.



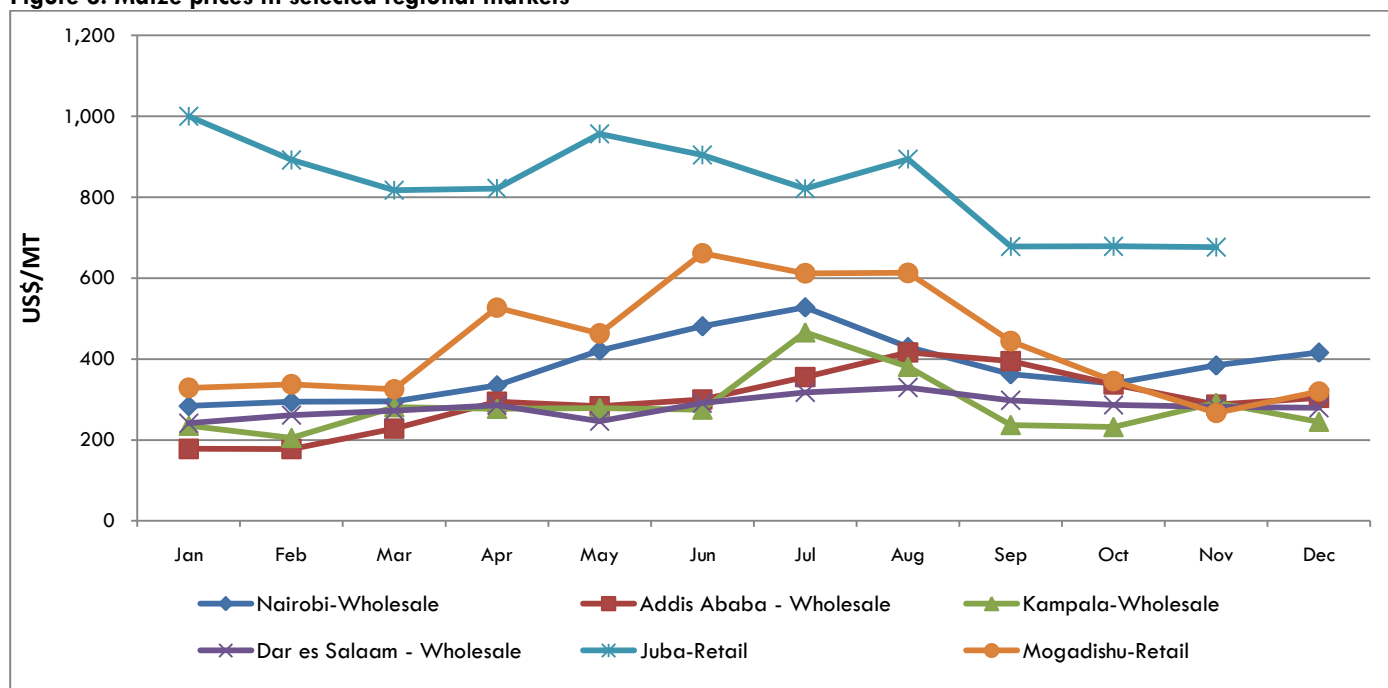
Source: FEWSNET, WFP, FAO

Note:

Roots & Tubers include: cassava, Irish potato and sweet potato,
Fruits & Vegetables include: garlic, cooking banana, ripening banana,
cabbage, carrots, mangoes, onions, tomatoes, pineapples, oranges,
lupine

Other cereals include: millet, teff and pasta
Other pulses include: peas, ground nuts and lentils
Edible oils includes oils from sunflower, palm and sesame

Figure 3. Maize prices in selected regional markets

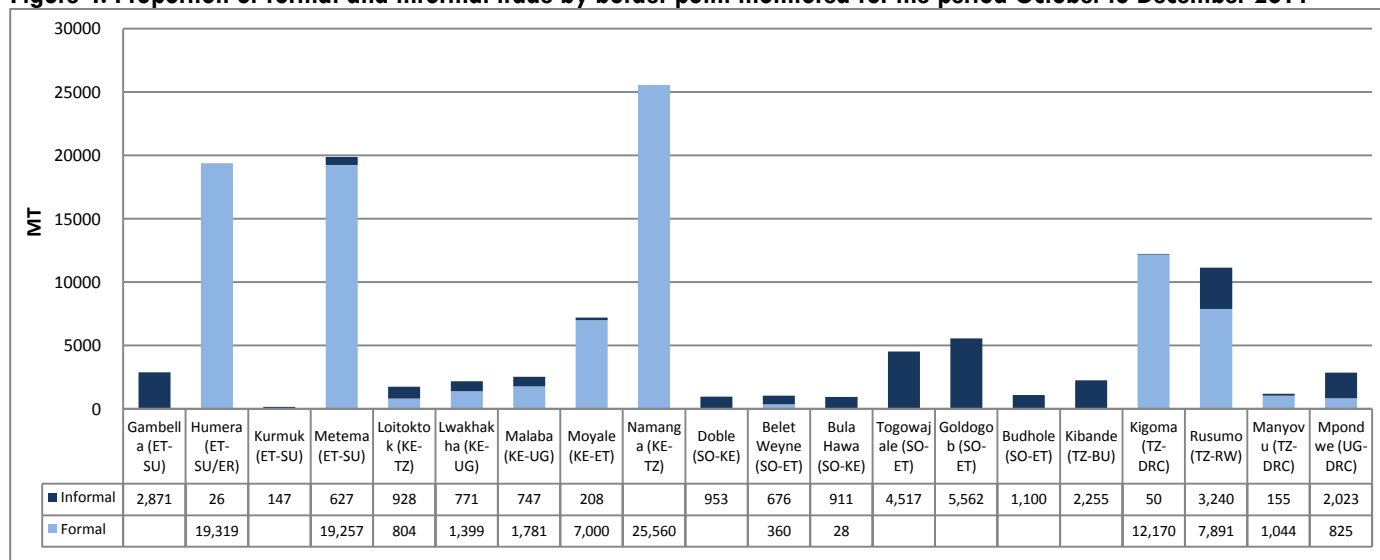


Source: Regional Agricultural Trade Intelligence Network (RATIN), Ethiopian Grain Trade Enterprise (EGTE), FEWS NET/FSNAU

About 37 per cent of the rice traded crossed from Tanzania into Rwanda through the Rusumo border market, compared to 26 per cent that was moved from Ethiopia into Somalia through Togowajale. Wheat trade followed the same trend as rice, with approximately 65 per cent of the total wheat traded crossing from Tanzania into both Rwanda and the Democratic Republic of Congo through Rusumo and Kigoma respectively, while 21 per cent crossed from Somalia into Ethiopia through Goldgob.

Overall, Namanga border market between Kenya and Tanzania recorded the highest volume of cross-border trade, most of which was formal (Figure 4). It was closely followed by Metema and Humera border markets both located between Ethiopia and Sudan. Approximately 24 per cent of the 125,182 MT of food items recorded as having crossed through all the border points this quarter was traded informally.

Figure 4: Proportion of formal and informal trade by border point monitored for the period October to December 2011

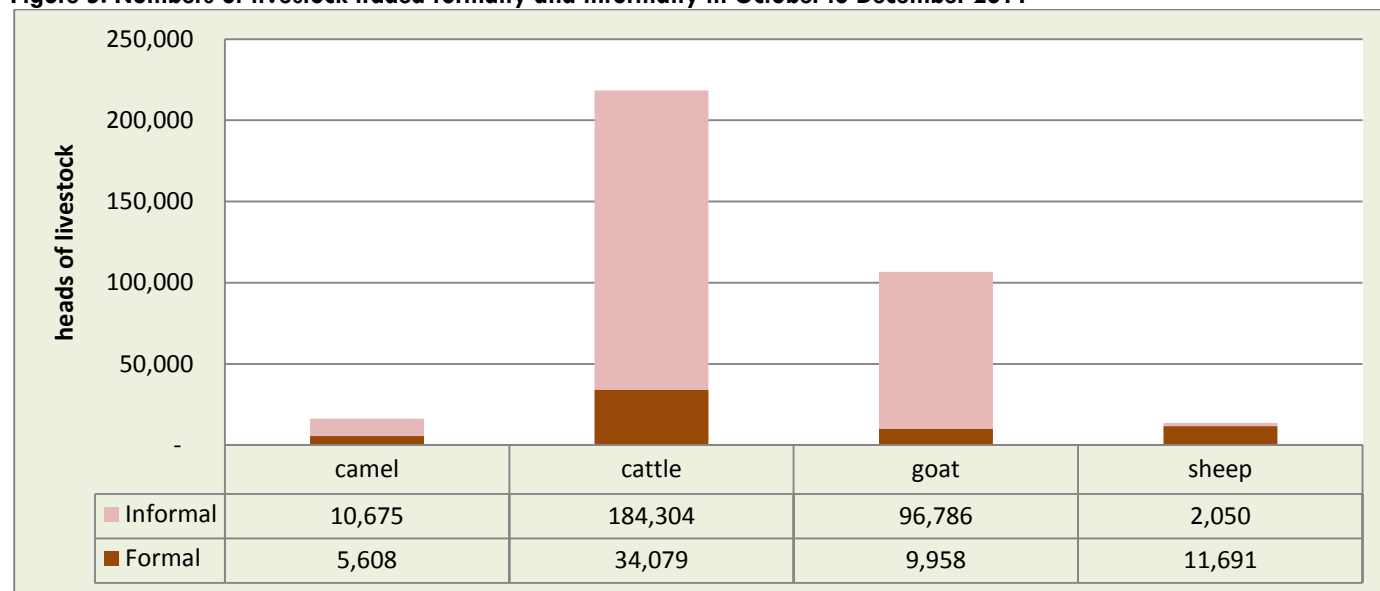


Source: FEWSNET, WFP, FAO

2. Livestock trade

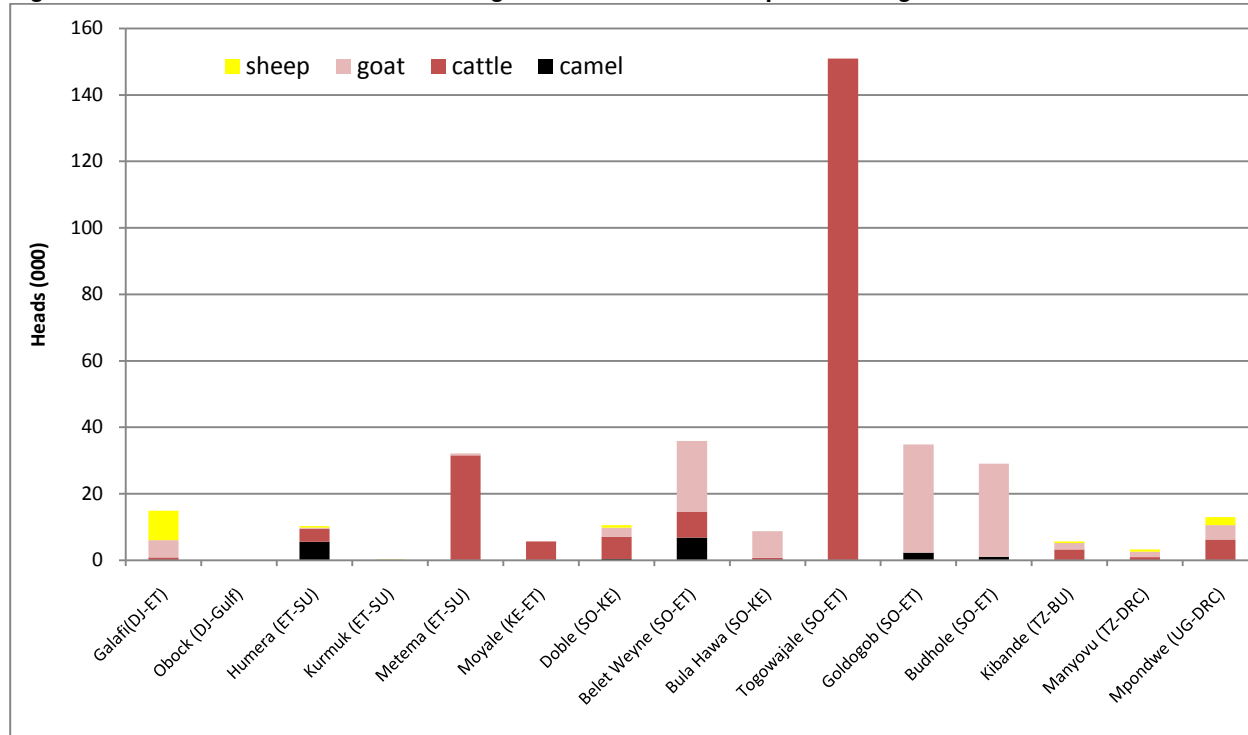
Approximately 355,151 heads of livestock (cattle, sheep, goats and camels) were recorded as traded across the monitored borders between October and December 2012 (Figure 5), representing a 12 per cent increase from the previous quarter (July–September) when 315,623 heads were recorded. The increase perhaps corresponds to increased demand during the *Eid* and *Hajj* festive holidays in the month of November. Most (62 per cent) of the livestock traded were cattle, with the majority (42 percent) being traded through Togowajale market, a key border crossing point between Somalia and Ethiopia (Figure 6).

Figure 5: Numbers of livestock traded formally and informally in October to December 2011



Source: FEWSNET, WFP, FAO

Figure 6: Numbers of livestock traded through the monitored border points during October to December 2011



Source: FEWSNET, WFP, FAO

3. Outlook

Cross-border trade in food commodities will most likely increase in the first quarter of 2012 following good harvests in Ethiopia and Uganda, with a corresponding shortfall of production in Kenya, South Sudan, and Sudan. Trade in livestock will most likely remain stable as livestock keepers restock following livestock losses that accompanied the 2011 drought in the eastern Horn. However, movement of food and cattle across the Kenya – Somalia and Ethiopia – Somalia borders is expected to decline due to civil conflict in Somalia.