

A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative, with funding from USAID and WFP, has prepared this report based on data collected by a network of border monitors based at selected border points. The border monitors record data on a daily basis, and transmit it to a central location every week for collation and analysis. Currently, the informal cross border trade monitoring system includes 29 borders, with new borders being added as necessary. Data from borders surrounding Malawi are collected and managed by FEWS NET and WFP Malawi, while the rest of the borders are managed by the TSC. Address comments/suggestions to the following e-mail addresses: pmdlada@fewsn.net, itarakidzwo@fewsn.net; or eric.kenefick@wfp.org

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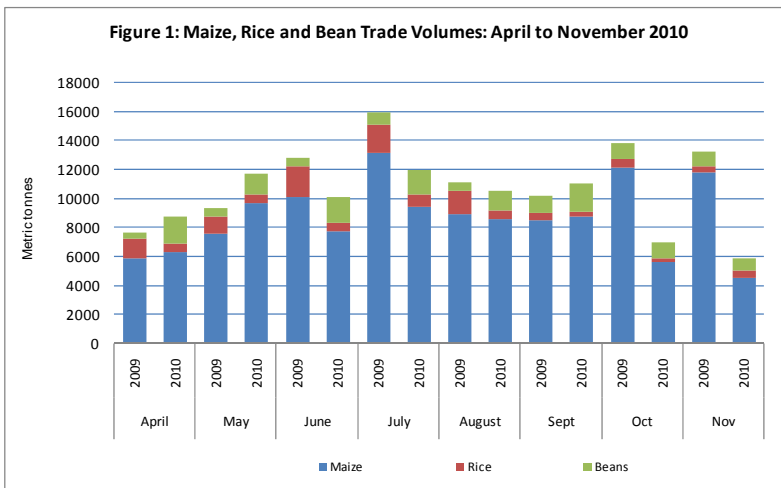
Informal Cross Border Food Trade in Southern Africa

Issue 65

November 2010

Summary

- Overall volumes of traded maize, rice and beans continue to drop from 11,025 MT in September to 6,968 MT in October and to 5,818 MT in November 2010. Informally traded maize volume (grain and maize meal) fell from 8,699MT in September to 5,561 MT in October and to 4,458 MT in November. However, rice trade over the Malawi/Mozambique and Zambia/DRC borders increased significantly.
- A sharp drop in Mozambique informal exports to Malawi has resulted in a larger share of Mozambican informal exports going to Zambia in the months of October and November. This is a first since the inception of informal cross border food trade monitoring in 2004.
- Maize grain prices have remained unchanged over the October-November period at most border markets. However, compared to the same time last year, this year's maize grain prices have been significantly lower ranging from 16 percent below at Kasumbalesa (Zambia) to 48 percent at Machipanda (Mozambique).



Despite this being the lean season when informal cross border trade usually peaks due to increased demand especially for maize, this year's overall volumes of traded maize, rice and beans have declined to extremely low. Normally, significant increases in traded volumes for maize and rice typically occur from October as the lean season sets in. The Oc-

tober and November traded volumes for maize and rice have been significantly low compared to the same time last year (Figure 1 and Table 1). The informal maize (grain and maize meal) and bean trade volumes fell by 20 and 28 percent respectively over the October-November period. However, rice trade through the Malawi/Mozambique and Zambia/DRC borders increased quite significantly over the October-November period. This could be due to the fact that very little rice trade was captured in October. Although these low trade volumes during the lean season confirm satisfactory staple food availability due to last year's favourable production levels, another reason for the continued decline is the sharp drop in the Mozambique/Malawi flows. Anecdotal evidence suggests that at the busiest Milange/ Muloza border, strict controls on informal trading are being enforced; most commodities are now traded through formal channels mainly on trucks. Table 1 presents monthly summaries of volumes of trade and the totals to date since. The current cumulative maize (April to November) volume of 60,162 MT is 22 percent lower than the 77,655 MT captured at the same time last year.

Table 1: Summary of 2010/11 informal Trade Flows (MT)

	April'10	May'10	June'10	July'10	Aug '10	Sept' 10	Oct '10	Nov'10	Total
Maize (Incl. maize meal)	6,226	9,595	7,674	9,392	8,557	8,699	5,561	4,458	60,162
Maize meal (only)	970	1,286	897	434	462	743	413	370	5,575
Rice	628	603	579	869	562	332	291	556	4,409
Beans	1,869	1,465	1,764	1,691	1,371	1,994	1,116	804	12,074

Summary of Maize trade flows

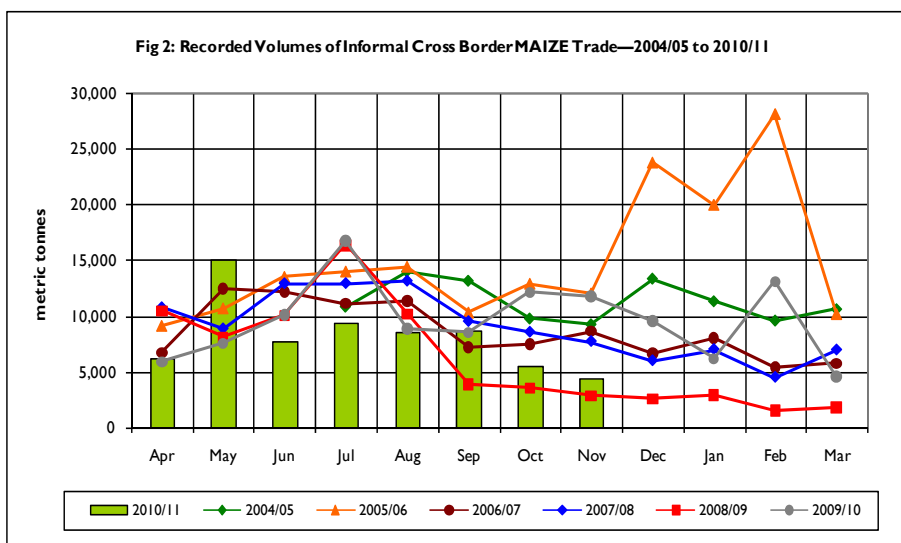
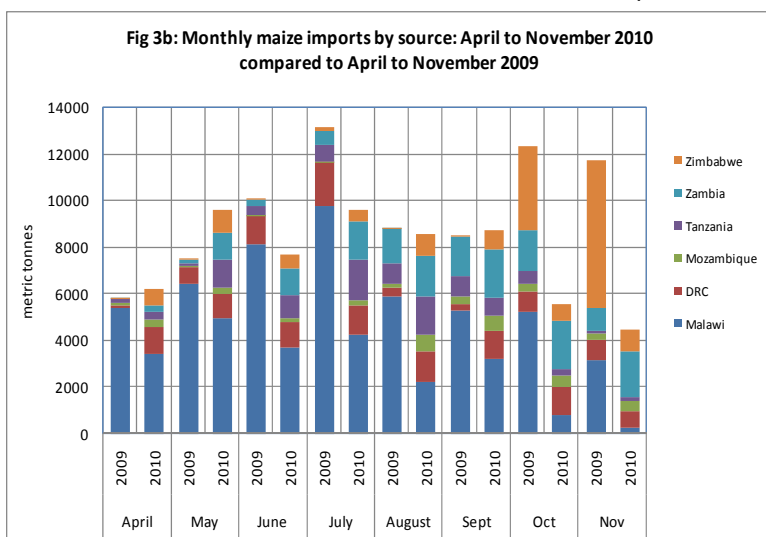
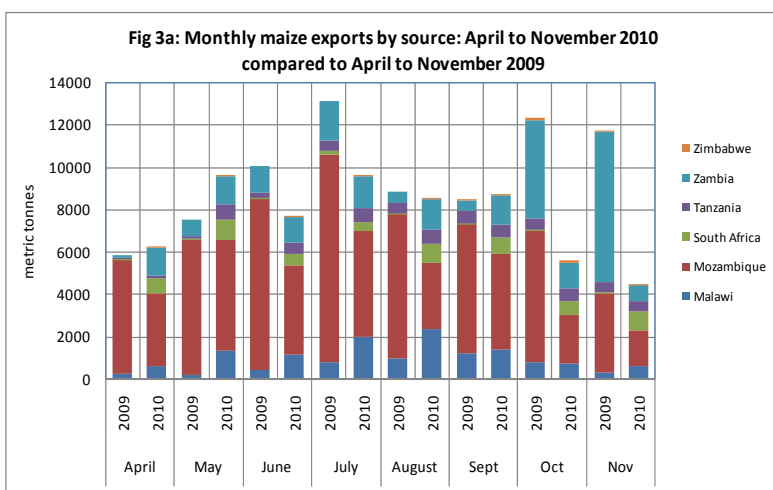


Figure 2 shows trends in volumes of informal maize trade (grain and maize meal) while Figure 3 (a and b) shows the trade flows by source and destination. This year's informal maize trade continues to follow the 2008/09 pattern although actual amounts remain slightly above those captured over the same months in 2008. Maize trade constituted 77 percent of all commodity informal trade in November with major trade flows recorded between Mozambique/ Zambia, South Africa/ Zimbabwe; Zambia/DRC; Tanzania/ Zambia; and Malawi/Mozambique (Table 2). Maize meal trade continue to flourish between South Africa and Zimbabwe (Table 3).

Exports: Mozambique remains the biggest maize exporter with a monthly average total share of maize export at 50 percent followed by Malawi and Zambia at 17 percent each. South Africa's total share of maize exports mostly to Zimbabwe increased slightly from 9 percent in October to 10 percent in November. The November maize export shares for Tanzania and Zimbabwe remained significantly low at 7.2 and 0.8 respectively.

Imports: For the first time since the informal trade monitoring began, Zambia's maize imports from Mozambique have superseded Malawi's imports for the months of October and November. The Malawi maize imports from Mozambique in October and November were 820 MT and 297 MT respectively, while those for Zambia were 2111 MT and 2000 MT respectively.



The main reason for the drop in Malawi imports could be associated with the stricter enforcement of trade protocols on the busy Milange border of Mozambique. Anecdotal evidence suggests that commodities traded at this border are required to be channeled officially on trucks. Transporting maize on bicycles is now strictly controlled. The rise in the Mozambique/Zambia flows on the other hand may be as a result of DRC traders buying cheaper maize from Mozambique and transporting it through Zambia. However, cumulative statistics on percentages of total import shares continue to show Malawi as the largest maize importer with a maize import share of 37.5 percent followed by Zambia, DRC and Tanzania with 20.1 percent, 14.8 percent and 11.6 percent respectively. Zimbabwe and Mozambique recorded the lowest shares.

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

Source	Destination	Total 05/06 season	Total 06/07 season	Total 07/08 season	Total 08/09 season	Total 09/10 Season	November 2009	November 2010	Cumulative Apr - Nov 09/10	Cumulative Apr - Nov 10/11
Malawi	Mozambique	133	591	3,755	203	6,124	267	416	1,180	2,976
Malawi	DRC	0	0	300	0	0	0	0	0	0
Malawi	Tanzania	944	2,928	1,581	239	6,031	61	101	3,546	6,746
Malawi	Zambia	81	202	1,779	129	315	0	76	176	333
Malawi	Zimbabwe	0	0	306	0	0	0	0	0	0
Mozambique	Malawi	71,218	77,394	56,078	54,223	60,399	3,157	297	48,771	22,337
Mozambique	Zambia	49	1,269	2,113	865	4,462	514	1,400	3,779	6,994
Mozambique	Zimbabwe	5	2,085	11	178	1,761	0	0	11	52
South Africa	Zimbabwe	1,688	49	47	2,663	1,135	73	904	312	6,027
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	469	489	3,049	4,355
Zambia	DRC	4,682	9,481	33,424	4,589	9,861	872	657	6,379	8,937
Zambia	Malawi	419	378	2,500	5,388	546	12	0	513	515
Zambia	Mozambique	55	2	0	60	130	3	58	16	381
Zambia	Tanzania	0	7	4	15	257	10	23	136	237
Zambia	Zimbabwe	182	299	433	350	28,493	6,221	0	9,606	0
Zimbabwe	Mozambique	85	294	129	2	8	4	1	5	8
Zimbabwe	Zambia	0	0	166	207	345	46	34	177	453
Total Traded (MT)		177,959	103,127	108,679	74,470	123,685	11,710	4,458	77,655	60,365

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: Informal MAIZE MEAL trade flows by source and destination country (MT)

Source	Destination	Total 09/10 season	April 2010	May 2010	June 2010	July 2010	August 2010	September 2010	October 2010	November 2010	Cumulative Apr–Nov 2010
Malawi	Mozambique	91	13	10	9	12	20	27.2	45.14	55.00	191.34
Mozambique	Zimbabwe	25	0.2	0.3	0.1	47	0.2	0.3	0.70	0.19	48.89
Mozambique	Malawi	0	0	0	360	0	0	0	0	0	360
South Africa	Zimbabwe	904	659	717	377	250	323	587	285.54	220.48	3418.48
Tanzania	Zambia	104	25	438	12	13	8.4	9.3	7.47	5.36	518.53
Zambia	DRC	1,895	266	5,361	138	110	108	117	70.31	85.22	6255.53
Zambia	Mozambique	11	1	0	0	0	0	0	0	0	1
Zambia	Tanzania	24	7	0	0	2	3	2.3	4.22	3.75	22.27
Zambia	Zimbabwe	9,200	0	0	0	0	0	0	0	0	0
Zimbabwe	Zambia	0	0	0	0	0	0	0	0	0	0
Total Traded (MT)		12,254	971.2	6,526.3	896.1	434	462.6	743.1	413	370	10,816.58

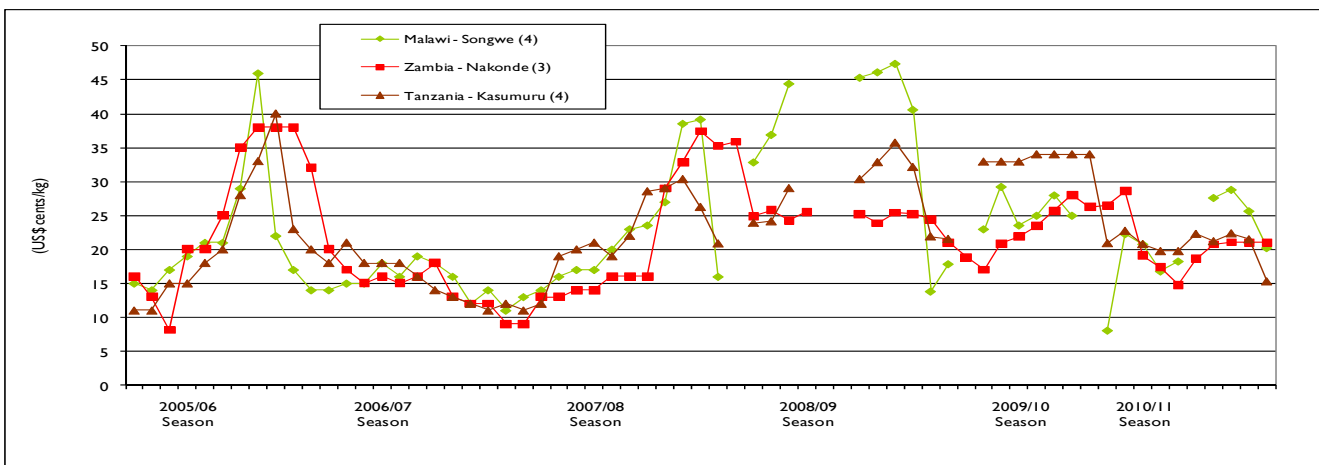
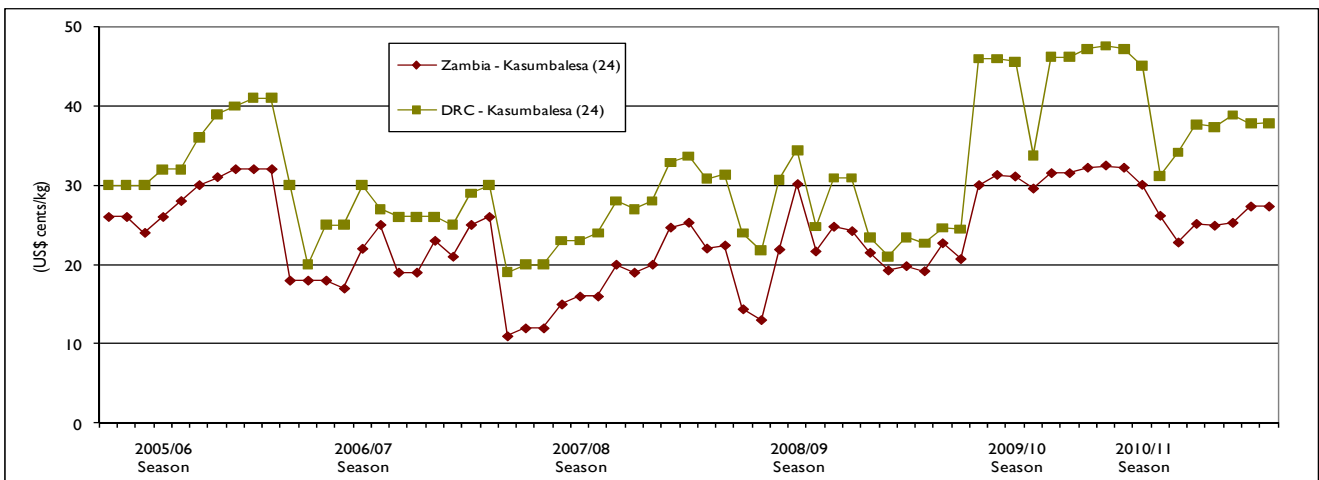
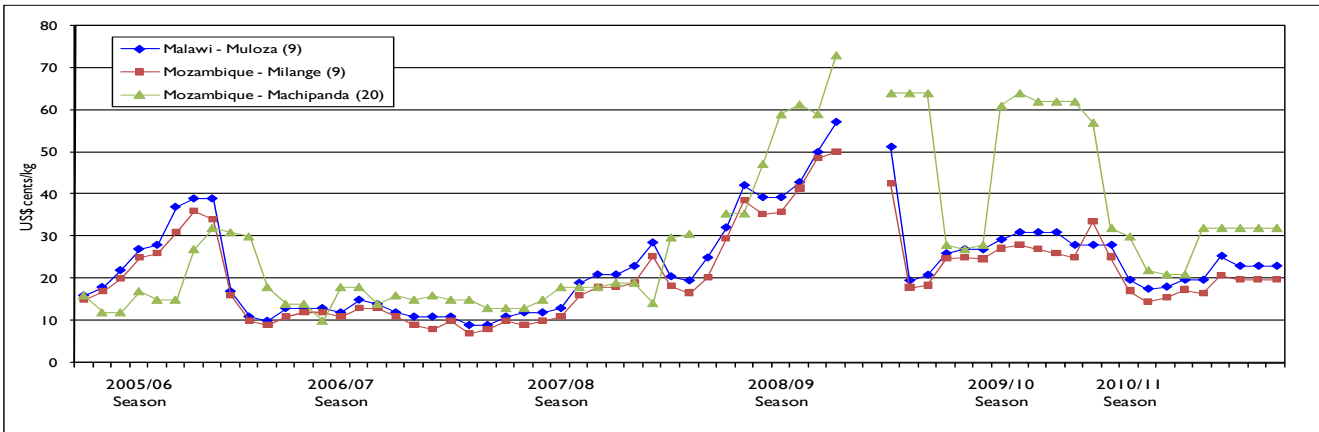
Nominal maize grain prices at source and destination points:

Figures 4 a to c (page 4) present monthly nominal maize grain prices (in USD equivalent) for selected border points, while Table 4 shows the monthly percentage changes for the April to October 2010 period as well as the year on year change for the month of November. Maize grain prices have remained unchanged over the October November period at most border markets (Table 4). However, compared to the same time last year, this year's maize grain prices have been significantly lower ranging from 16 percent below at Kasumbalesa (Zambia) to 48 percent at Machipanda (Mozambique). These lower maize grain prices are attributable to increased availability of food in most local markets as a result of the favorable harvests attained last year. However, as the peak lean season approaches (January/February), prices in most local markets are expected to increase gradually following seasonal trends.

Table 4: Percent change in nominal maize grain prices at source/ destination points (USD cents/kg)

Price at Source (S) and Destination (D)	% change April to May 2010	% change May to June 2010	% change June to July 2010	% change July to Aug 2010	% change Aug to Sept 2010	% change Sept to Oct 2010	Maize Price Oct 2010	Maize price Nov 2010	% change Oct to Nov 2010	Maize Price Nov 2009	Maize Price Nov 2010	% change Nov '09 to Nov 2010
Mal/Moz: Muloza (D)	-10	0	11	0	25	-8	23	23	0	31	23	-26
Moz/Mal: Milanje (S)	-18	7	13	-6	31	-5	20	20	0	27	20	-26
Moz/Zim:- Machipanda (S)	-27	-5	0	52	0	0	32	32	0	62	32	-48
Zam/DRC: Kasumbalesa (S)	-13	-12	9	0	0	8	27	27	0	32	27	-16
DRC/Zam: Kasumbalesa (D)	-31	10	12	-3	5	-3	38	38	0	46	38	-17
Tan/Zam: Nakonde (S)	-11	-12	27	11	0	0	21	21	0	26	21	-19

Figures 4a-4c: Retail MAIZE prices in selected border points (USD cents/ kg)



Summary of Rice trade flows

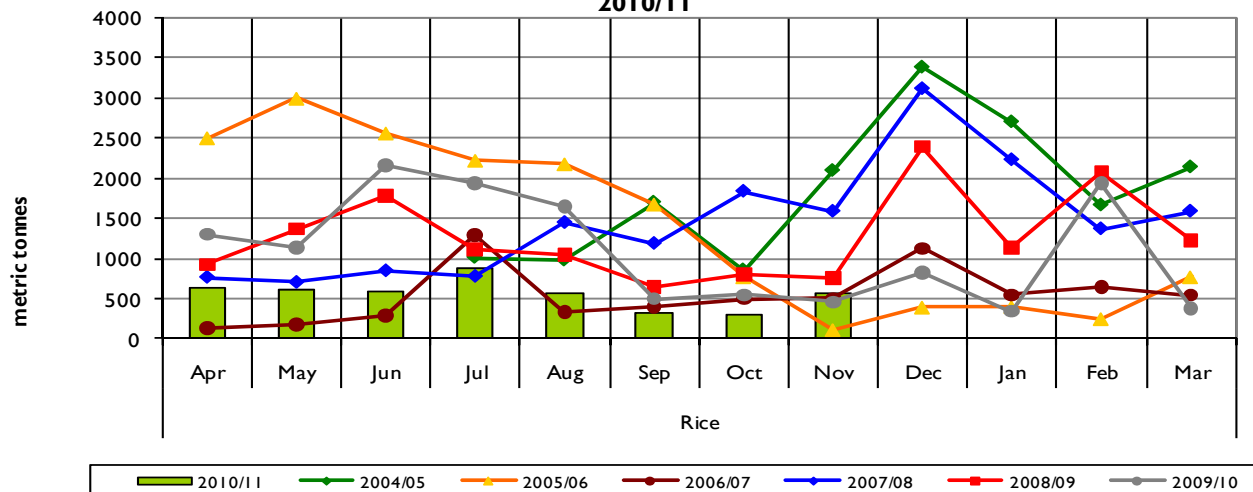
Table 5. Informal cross border RICE trade by source and destination country (MT)

Source	Destination	Total 05/06 season	Total 06/07 season	Total 07/08 season	Total 08/09 season	Total 09/10 Season	November 2009	November 2010	Cumulative Apr - Nov 09/10	Cumulative Apr - Nov 10/11
Malawi	Mozambique	12	1	822	58	518	18	215	288	416
Malawi	Tanzania	135	1,217	1,568	291	1,909	105	0	1,794	403
Malawi	Zambia	31	74	2,360	990	2,607	0	14	2,569	162
Malawi	Zimbabwe	0	0	405	0	630	0	0	630	0
Moz	Malawi	1,691	1,718	444	690	588	58	0	563	241
Moz	Zambia				3	4	0	1	3	6
Moz	Zimbabwe	399	850	1,028	1,958	276	17	8	215	103
RSA	Zimbabwe	64	82	33	25	215	2	73	22	548
Tanzania	Malawi	912	4	100	154	0	0	0	0	320
Tanzania	Zambia	641	557	397	374	549	55	70	391	502
Zambia	DRC	12,629	1,697	6,746	9,333	3,660	155	112	2,802	1,306
Zambia	Malawi	0	0	30	0	7	0	0	0	0
Zambia	Tanzania	0	0	3	6	9	1	2	5	7
Zambia	Zimbabwe	106	803	3,312	1,387	568	47	60	404	407
Zimbabwe	Zambia	0	0	185	0	1,620	0	0	0	0
Total Traded (MT)		16,620	7,003	17,434	15,268	13,161	458	556	9,685	4,419

Table 5 and Figure 5 summarize informal cross border rice trade trends. November 2010 saw an upward shift in the volume of traded rice amounting to 556 MT—a 91 percent increase from the 291 MT recorded in October. This spike in traded volumes is a result of increased rice trade from Mozambique into Malawi (215 MT) and Zambia into DRC (112 MT). However, since July monthly traded volumes of rice had been on the decline until November. In general rice trade has been at the lowest this marketing season — a good signal for maize availability in the region since many households consume rice as a substitute to maize in times of scarcity. Statistics on total share of exports show Zambia with the largest share of 38.9 percent followed by Malawi (22.2 percent); Tanzania (18.6 percent), South Africa (12.4 percent) and Mozambique (7.9 percent). The cumulative April to November volumes of traded rice dropped from 9,685 MT recorded last year to 4,419 MT this year - a 54.3 percent drop. Rice flows remained unchanged with Zambia, Malawi, Tanzania and South Africa being the major source countries while DRC, Mozambique and Zimbabwe remain the recipient countries.

Trends in Volumes of Rice Traded by Month and Year

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



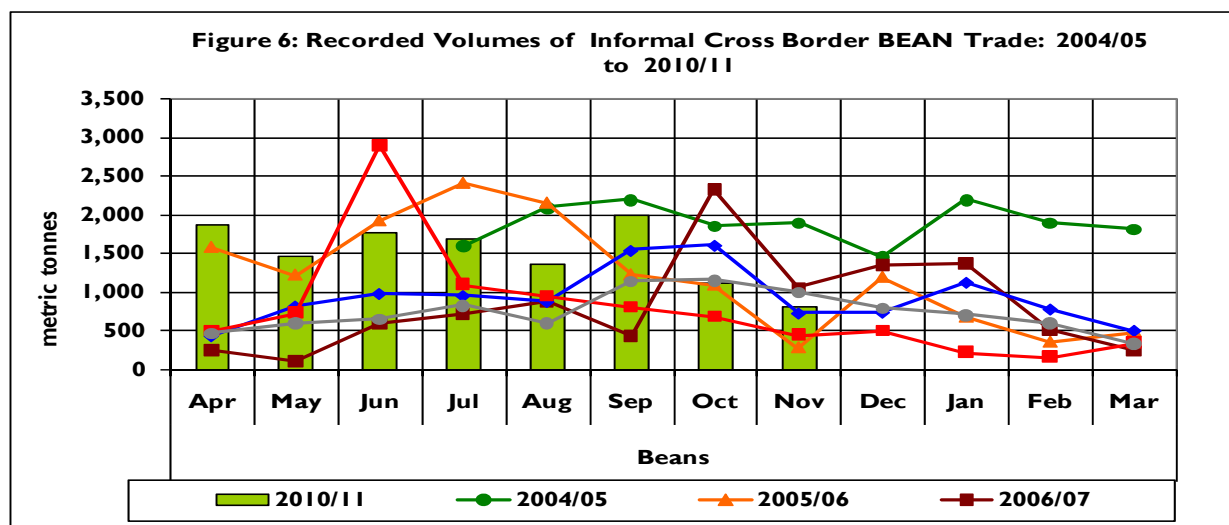
Summary of Bean trade flows

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

Source	Destination	Total 05/06 season	Total 06/07 season	Total 07/08 season	Total 08/09 season	Total 09/10 Season	Novem- ber 2009	Novem- ber 2010	Cumulative Apr - Nov 09/10	Cumulative Apr - Nov 10/11
Malawi	Mozambique	76	269	149	19	328	0	0	317	12
Malawi	South Africa	0	0	270	0	0	0	0	0	0
Malawi	Tanzania	0	0	169	6	6	0	0	6	385
Malawi	Zambia	19	268	338	124	52	2	12	38	68
Malawi	Zimbabwe	0	0	480	0	0	0	0	0	0
Mozambique	Malawi	2,741	2,798	2,375	3,045	2,619	280	371	2,007	6,153
Mozambique	Zambia				151	152	60	0	152	0
Mozambique	Zimbabwe	4	8	13	29	38	0	0	36	104
South Africa	Zimbabwe	325	83	11	6	17	1	4	8	159
Tanzania	Malawi	2,459	3,646	3,468	2,749	622	181	46	402	863
Tanzania	Zambia	472	588	1,058	946	1,099	136	102	841	1,219
Zambia	DRC	8,231	2,422	2,487	1,880	3,548	314	212	2,397	2,744
Zambia	Mozambique				0	90	9	24	19	144
Zambia	Tanzania	0	2	0	0	86	0	16	67	78
Zambia	Zimbabwe	16	69	170	280	143	8	17	102	145
Total Traded (MT)		14,343	10,153	10,988	9,236	8,800	990	804	6,391	12,075

For the past 3 months, bean trade flows have been quite significant and dominant between Mozambique (source) and Malawi (destination); Tanzania (source) and Zambia (destination); and Zambia (source) and DRC (destination). These trade flows have largely been influenced by good bean availability in the source countries. Elsewhere bean trade continues at much lower volumes (Table 6). The cumulative April to November traded bean volume increased by 89 percent from last year's 6,391 MT to 12,075 MT this year (Table 6). Mozambique continues to dominate the bean trade with a 52 percent share of total exports, followed by Zambia and Tanzania at 26 percent and 17 percent respectively. Malawi continues to record high shares of imports at 58 percent followed by DRC (23 percent), Zambia (11 percent) and Tanzania (4.0 percent).

Trends in Volumes of Bean Traded by Month and Year



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	22,854	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	2,079	1,730	7,003	2,311	3,408	6,533	5,182	17,434	4,067	2,808	3,952	4,684	15,511

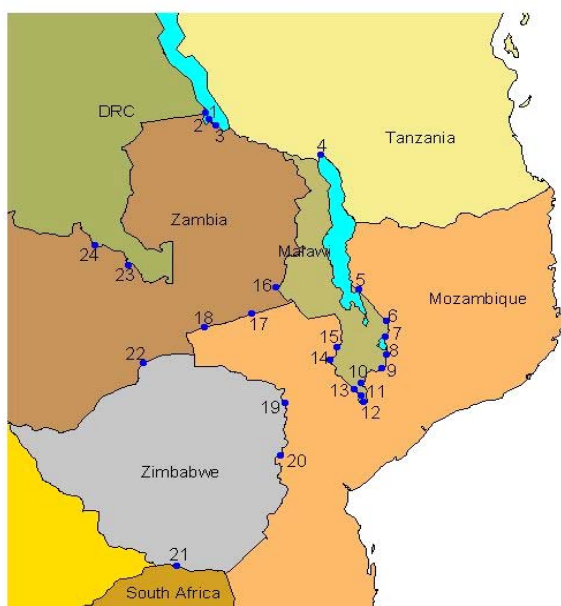
Annex 1 (continued)

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
Tan	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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