United Nations World Food Programme

FEWS NET
FAMINE EARLY WARNING SYSTEMS NETWORK

Informal Cross Border Food Trade in Southern Africa

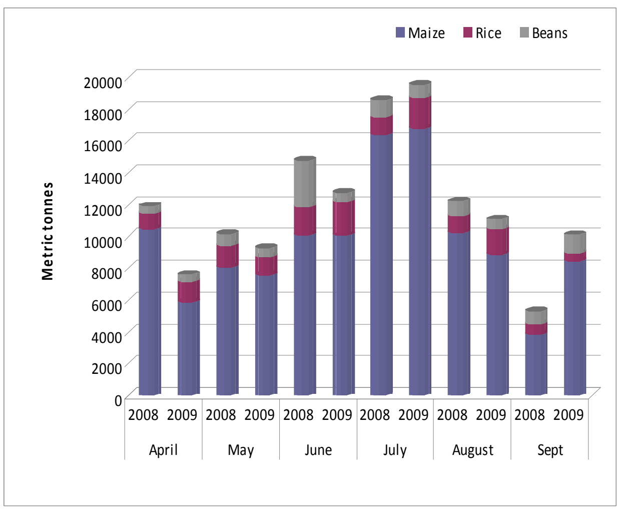
Issue 54 September 2009

Inside this issue:

Summary

- Total monthly volumes of informally traded maize, rice and beans continue to decline which is typical for this time of the year when most farmers begin to run out of surplus stocks. However, trade patterns remain unchanged with Mozambique and Zambia being the major source countries while Malawi, DRC and Zimbabwe remain net importers.
- Maize remains the most traded commodity captured through the system underlining its importance as a main staple in the monitored countries. By the end of September, maize trade accounted for 82 percent of the total informal trade captured since the beginning of the current marketing year.
- September nominal maize grain prices increased at most border points; ranging from 9 percent at Muloza border point (Mozambique/Malawi) to 118 percent at Machipanda border point (Mozambique/Zimbabwe). However, September 2009 nominal maize prices are lower than those observed at the same time last year; a sign of improved availability at most monitored sites.

Figure 1: Maize, rice and bean trade volumes - April to September 2008 and 2009



To date, there has been a notable decline in total traded volumes of maize, rice and beans since July 2009 when total trade was at its peak at 19,536 MT. In August, traded volumes declined by 43 percent to 11,080 MT, and further declined by 9 percent in September 2009, to 10,111 MT. This declining trend is expected to continue till the next harvest as on farm surplus stocks are increasingly drawn down both from own consumption and through trade. Informal maize and rice trade fell by 5 and 70 percent respectively in September 2009 compared to the August figures. On the other hand, bean trade almost doubled during the same period - increasing by 48 percent. Meanwhile, maize trade continues to dominate informal cross border trade, accounting for 82 percent of informal trade captured since the beginning of the current marketing year (Table 1). The cumulative volume of maize trade from April to September is down 28 percent from the 59,145 MT recorded in 2008 to 57,496 MT captured this year (Table 2). This is attributable to the improved maize harvests realised by many countries this year compared to last year, which has reduced the demand for cross border trade due to adequate local availability.

	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Total
Maize	5,853	7,505	10,051	16,772	8,839	8,476	57,496
Rice	1,300	1,135	2,157	1,939	1,652	498	8,680
Beans	457	596	646	824	589	1,137	4,249
All commodity Total (MT)							70,425

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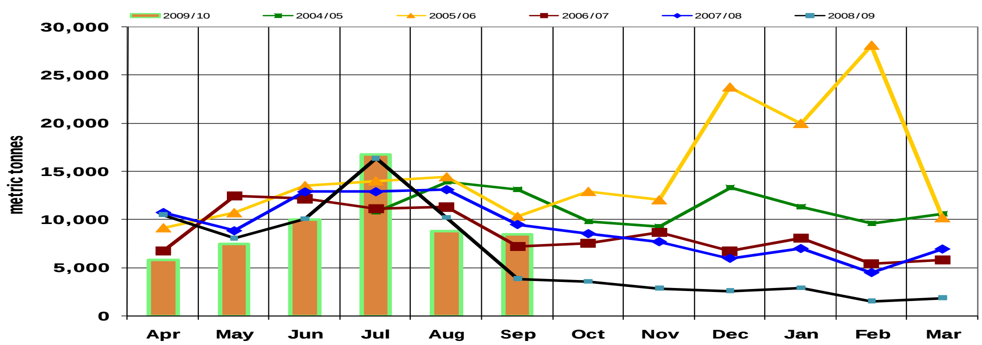
A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative, with funding from USAID and WFP, has prepared this report based on data collected by a network of border monitors based at selected border points. The border monitors record data on a daily basis, and transmit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

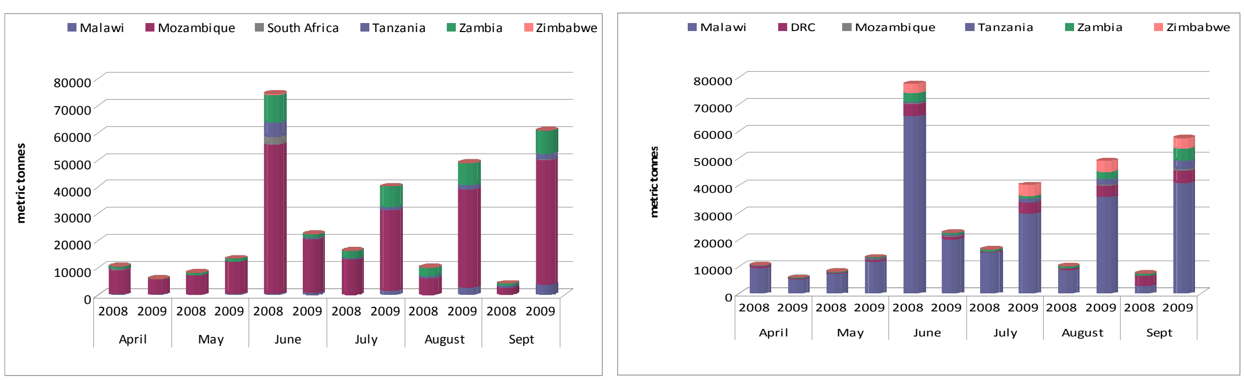
Summary of Maize trade flows

Figure 2: Recorded Volumes of Informal Cross Border MAIZE Trade—2004/05 to 2009/10



The recorded traded volumes of maize were almost the same for the months of August and September, a pattern last observed in 2004/05 consumption year, which was an equally good year. Meanwhile, informal maize trade flows between Mozambique and Malawi remain high and dominate the informal cross border trade captured through the monitoring system (Figure 3). This is partly due to the price differentials between the two countries that act as an incentive for private traders to move grain across the border into Malawi where maize prices are higher. The recorded average maize prices in Malawi (destination) for September 2009 were USD 0.30/kg while in Mozambique (source) it remained lower at USD 0.27/kg. Both prices at source and destination were above the August figures by 10 and 9 percent, respectively showing an upward trend in prices, which is normal for this time of the year (Table 3). Maize prices increase seasonally as the hunger season approaches in October/November up until March/April the following year. However, the onset and duration of the hunger season varies among countries depending on the size of the previous year's harvest.

Figure 3: April—Aug 2009 monthly MAIZE by (a) imports/destination and (b) exports/source compared to April-Aug 2008



Mozambique, the major maize exporter with the highest share of total maize export of 74.2 percent is followed by Zambia (15.2 percent) and Malawi (6.6 percent). South Africa's export share in September 2009 remained insignificant at 0.2 percent. It should be noted that this low figure could be a result of inadequate capture of trade flows at Messina Border post by the monitors. A pending supervisory visit (In November 2009) to this border post is expected to shed more light. In terms of import volumes, Malawi remains the major maize importer with the highest import share of 71.2 percent, followed by DRC (8.0 percent), Zambia (7.6 percent), Zimbabwe (6.8 percent), and Tanzania (5.4 percent).

Maize Meal Trade Flows: Table 3 summarizes maize meal flows since the beginning of the current marketing year. The actual volumes of traded maize meal are on the decline, with the September volume down by 27 percent from 234 MT in August to 169 MT. About 75 percent of traded maize meal usually comes from Zambia into DRC, a major maize meal importer. South Africa's September informal maize meal export share to Zimbabwe remained the lowest at 3 MT. For the month of September, DRC remains the major maize meal importer with total import share of 74 percent, followed by Zimbabwe (19.2 percent), and Mozambique and Zambia with 3.3 percent each.

Table 1: Informal cross border MAIZE trade by source and destination country

Source	Destination	Total 05/06 Season	Total 06/07 Season	Total 07/08 Season	Total 08/09 Season	Sep 08	Sep 09	Cumulative Apr- Sep 08/09	Cumulative Apr- Sep 09/10
Malawi	Mozambique	133	591	3,755	203	13	342	132	600
Malawi	Tanzania	944	2,928	1,581	239	0	860	223	3,003
Malawi	Zambia	81	202	1,779	129	0	1	97	176
Mozambique	Malawi	71,218	77,394	56,078	54,223	2,482	5,078	46,540	40,532
Mozambique	Zambia	49	1,269	2,113	865	87	1,073	776	2,147
Mozambique	Zimbabwe	5	2,085	11	178	12	0	98	10
South Africa	Zimbabwe	1,688	49	47	2,663	3	5	285	227
Tanzania	Malawi	84,862	1,888	1,073	2,910	45	0	627	0
Tanzania	Zambia	13,556	6,260	4,980	2,449	489	560	1,644	2,008
Zambia	DRC	4,682	9,481	33,424	4,589	393	287	3,125	4,597
Zambia	Malawi	419	378	2,500	5,388	286	190	5,369	379
Zambia	Mozambique	55	2	0	60	2	1	2	11
Zambia	Tanzania	0	7	4	15	2	21	7	75
Zambia	Zimbabwe	182	299	433	350	0	0	12	3,675
Zimbabwe	Mozambique	85	294	129	2	0	0	1	0
Zimbabwe	Zambia	-	-	166	207	54	57	207	57
Total Traded (MT)		**177,959**	**103,127**	**108,679**	**74,470**	**3,867**	**8,476**	**59,145**	**57,496**

Maize Grain Prices: There has been generally a marked increase in nominal maize grain prices at most border points ranging from 9 percent at Muloza border point (Mozambique/ Malawi) to 118 percent at Machipanda border point (Mozambique/ Zimbabwe). This huge increase in nominal maize grain prices at Machipanda could be either due to increased maize grain demand on the Zimbabwe side or reduced tradable stocks on the Mozambique side. Price increases are typical at this time of the year, but spikes as observed in Machipanda are unusual except in situations of below normal harvests. However, at the Zambia/ DRC cross border point, prices were almost unchanged – declining by one percent at both sides. This is a result of increased maize availability on the local markets as private traders are moving huge quantities of grain to the border. In many of the border points, the observed September nominal maize prices are lower than the same time last year which is a sign of improved maize availability at most of the monitored sites (Table 3 and Figure 4).

Table 2: Maize Meal trade flows: May— Sep 2009

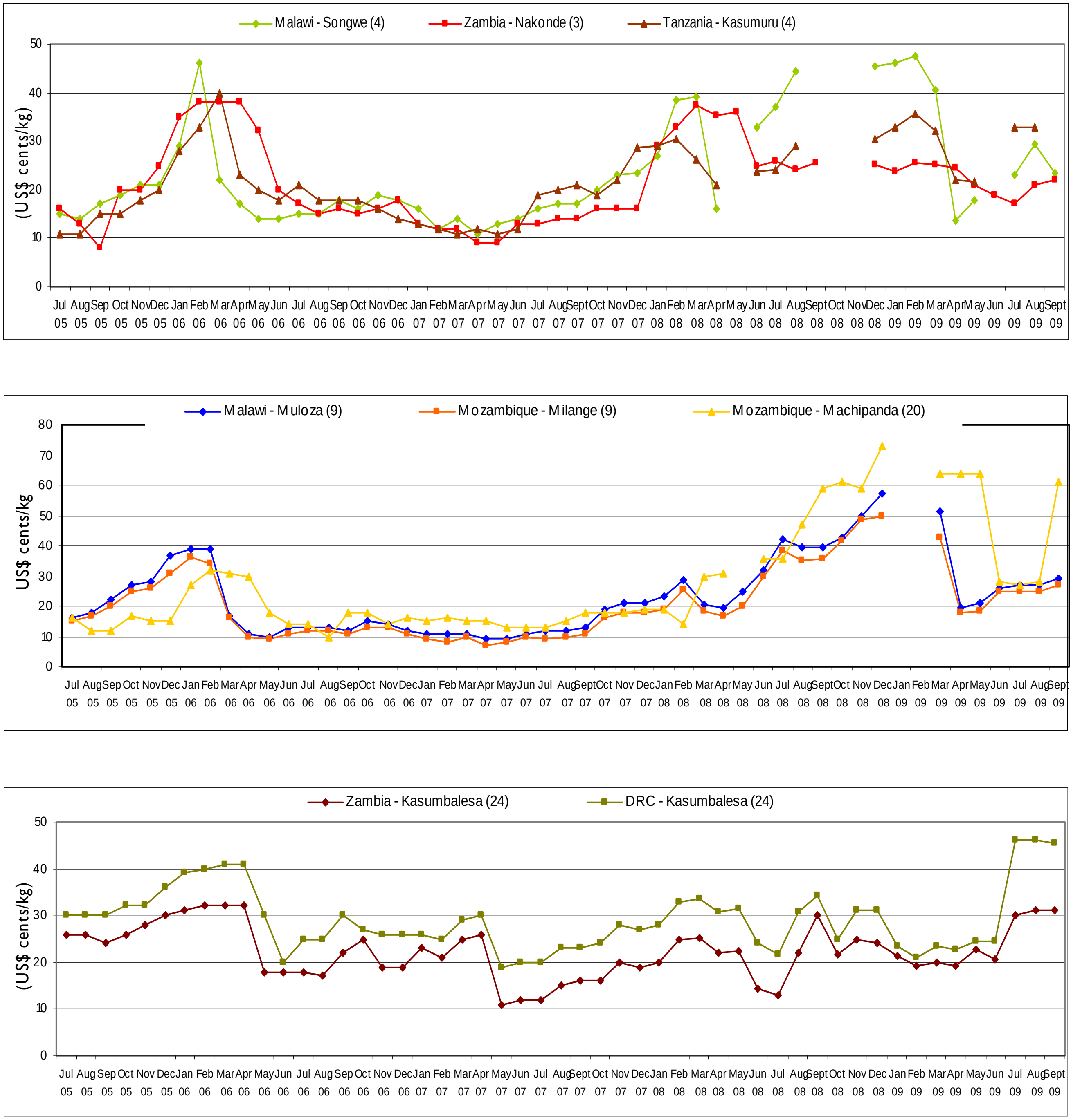
Source	Destination	May 09	Jun 09	Jul 09	Aug 09	Sep 09
Malawi	Mozambique	8	5	12	10	2
Mozambique	Zimbabwe	22	23	0	0	0
South Africa	Zimbabwe	16	99	152	3	3
Tanzania	Zambia	10	26	10	8	7
Zambia	DRC	198	482	413	206	102
Zambia	Mozambique	1	2	0	1	1
Zambia	Tanzania	1	1	2	2	2
Zambia	Zimbabwe	0	8	9	3	0
Zimbabwe	Zambia	0	0	0	0	52
Total Traded (MT)		332	646	597	234	169

Table 3: Nominal maize price trends at selected border points (US Cents per kg)

Price at Destination/Source	Jul 09	Aug 09	% change	Aug 09	Sep 09	% change	Sep 08	Sep 09	% change
Moz/Mal: Muloza (Destination)	27	27	0	27	29	9	39	29	-25
Moz/Mal: Milange (Source)	25	25	-1	25	27	10	36	27	-24
Moz/Zim: Machipanda (Source)	27	28	4	28	61	118	59	61	3
Zam/DRC: Kasumba-Zam (Source)	30	31	4	31	31	-1	30	31	3
Zam/DRC: Kasumba-DRC (Dest)	46	46	0	46	46	-1	34	46	32
Zam/Tan: Nakonde (Source)	17	21	23	21	22	5	26	22	-14

Note: Border monitors record both source point of origin and destination (point of delivery) prices at each border point where prices are being monitored.

Figure 4: Retail MAIZE prices in selected border points (US$ cents per kg)



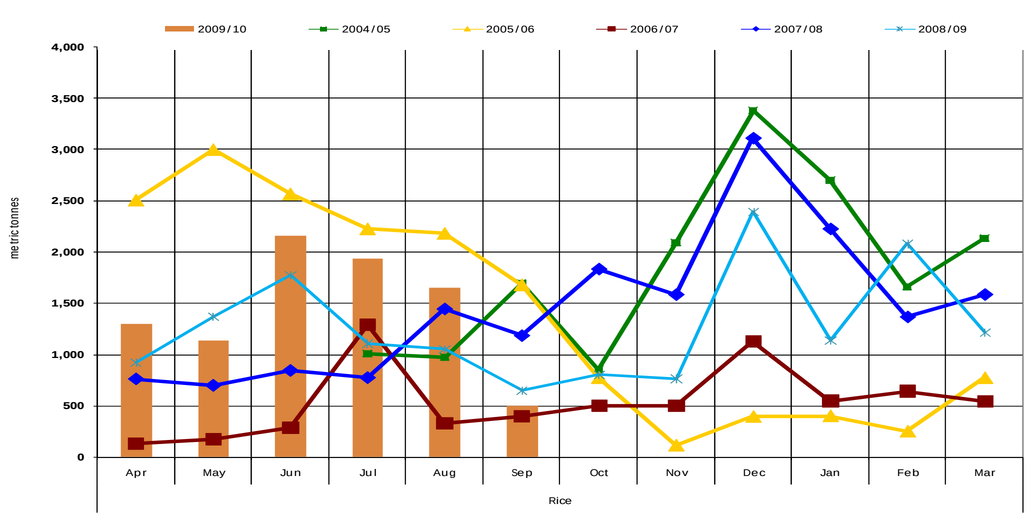
Summary of Rice trade flows

Table 4. 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	Sep 08	Sep 09	Cumulative Apr- Sep 08/09	Cumulative Apr- Sep 09/10
Malawi	Mozambique	12	1	822	58	6	57	47	256
Malawi	Tanzania	135	1,217	1,568	291	0	93	290	1,604
Malawi	Zambia	31	74	2,360	990	0	88	990	2,441
Malawi	Zimbabwe	-	-	405	0	0	0	0	630
Mozambique	Malawi	1,691	1,718	444	690	15	49	662	463
Mozambique	Zimbabwe	399	850	1,028	1,958	211	23	869	174
South Africa	Zimbabwe	64	82	33	25	2	3	11	19
Tanzania	Malawi	912	4	100	154	6	0	143	0
Tanzania	Zambia	641	557	397	374	41	47	235	278
Zambia	DRC	12,629	1,697	6,746	9,333	326	111	2,831	2,497
Zambia	Malawi	0	0	30	0	0	0	0	0
Zambia	Zimbabwe	106	803	3,312	1,387	41	27	797	312
Zimbabwe	Zambia	0	0	185	0	0	0	0	0
Total Traded (MT)		**16,620**	**7,003**	**17,434**	**15,268**	**649**	**498**	**6,878**	**8,680**

The total volume of traded rice dropped three-fold from 1,652 MT in August to 498 MT in September 2009. Although a general decrease in traded volumes of rice often occurs in September, a 70 percent drop is unusual. Traded rice volumes are down 23 percent this year as compared to last year same time (498 MT this year against to 649 MT in September 2008). Equally low quantities were also recorded during the same month in 2006/07 marketing year. Malawi remains the major rice exporter with a total export share of 56.8 percent followed by Zambia (32.4 percent), Mozambique (7.3 percent) and Tanzania (3.2 percent). The same countries (Tanzania, Zambia and Mozambique) are also the main importers of rice from Malawi. Rice imported into Zambia is usually re-exported into DRC although the September volume of 111 MT is much lower than the August volume of 326 MT. The cumulative traded volumes of rice during April to September 2009 period are 21 percent higher compared to the same time last year (Table 4).

Figure 5: Recorded Volumes of Informal Cross Border RICE Trade 2004/05 to 2009/10 (MT)



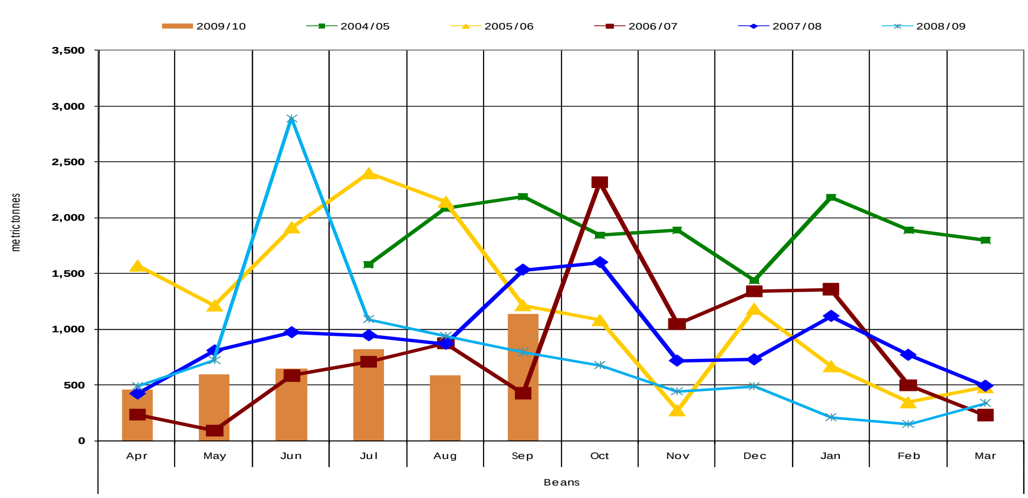
Summary of Bean trade flows

Table 5. 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	Sep 08	Sep 09	Cumulative Apr- Sep 08/09	Cumulative Apr- Sep 09/10
Malawi	Mozambique	76	269	149	19	0	2	17	317
Malawi	Tanzania	0	0	169	6	0	0	6	0
Malawi	Zambia	19	268	338	124	9	7	100	36
Malawi	Zimbabwe	-	-	480	0	0	0	0	0
Mozambique	Malawi	2,741	2,798	2,375	3,045	113	712	2,655	1,186
Mozambique	Zimbabwe	4	8	13	29	2	0	8	36
South Africa	Zimbabwe	325	83	11	6	0	0	2	7
Tanzania	Malawi	2,459	3,646	3,468	2,749	365	31	1,902	78
Tanzania	Zambia	472	588	1,058	946	75	113	718	603
Zambia	DRC	8,231	2,422	2,487	1,880	212	251	1,380	1,766
Zambia	Tanzania	0	2	0	0.4	0	14	0	50
Zambia	Zimbabwe	16	69	170	280	17	7	142	79
Total Traded (MT)		**14,343**	**10,153**	**10,988**	**9,235**	**794**	**1,137**	**6,930**	**4,249**

In contrast to maize and rice trade, the total traded volume of beans doubled from the 489 MT captured in August to 1,137 MT in September, with the most significant bean trade flows coming from Mozambique into Malawi (712 MT), Zambia into DRC (251.46MT) and Tanzania into Zambia (112.52 MT). Mozambique-Malawi flows of this magnitude (712 MT) are unusual, and might have been a one-off consignment for a private trader. These bean trade flows brought the September 2009 total to about 30 percent higher than the total traded volume captured at the same time last year. The cumulative April to September 2009 volume of traded beans (4,249 MT) is 39 percent lower than the total traded volume (6,930 MT) recorded over the same period last year (Table 5). DRC remains the major bean importer with the highest share of total imports at 42 percent, followed by Malawi (30 percent), Zambia (17 percent), Zimbabwe (2 percent) and Tanzania (1.2 percent). On the export side, Zambia continues to top the list with a 76 percent export share, followed by South Africa (16.4 percent) and Tanzania and Malawi (3 percent each).

Figure 6: Recorded Volumes of Informal Cross Border BEAN Trade: 2004/05 to 2009/10



Annex 1: Trade Tables

Table 6 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	2632	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 7: 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 1 (continued)

Table 8: Informal cross border trade in beans (MT)

Source	Desti-nation	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	1341	1,247	**3,468**
RSA	Zim	**0**	165	152	4	4	**325**	3	2	66	12	**83**	3	5	2	1	**11**
Total Traded (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 South Africa and

FEWS NET Regional Office, Pretoria South Africa

Cross - Border Monitoring Sites, 2007

NAME OF BORDER

1. Mulungu / Kigoma
2. Zombe / Kasesya
3. Nakonde / Tunduma
4. Songwe / Kasumuru
5. Kalanje
6. Nayuchi
7. Naminkhakha
8. Kolowikho
9. Muloza
10. Sankhulani
11. Tengani
12. Marka
13. Marine
14. Mkumaniza
15. Mwanza
16. Mchinji
17. Marowela
18. Chadiza
19. Nyamapanda
20. Machipanda
21. Messina / Beitbridge
22. Chirundu
23. Mokambo
24. Kasumbalesa

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