

East Africa Crossborder Trade Bulletin

January 31, 2013

The Market Analysis Sub-group of the Food Security and Nutrition Working Group (FSNWG) monitors cross-border trade of 88 food commodities and livestock in eastern Africa in order to quantify the contribution of formal and informal cross-border trade to food security in the region. This Bulletin provides an overview of cross-border trade across selected border of Tanzania, Burundi, Rwanda, Uganda, Kenya, Somalia, Djibouti, Ethiopia, Sudan and South Sudan and DRC. Additional data was sourced from the National Bank of Rwanda (NBR).

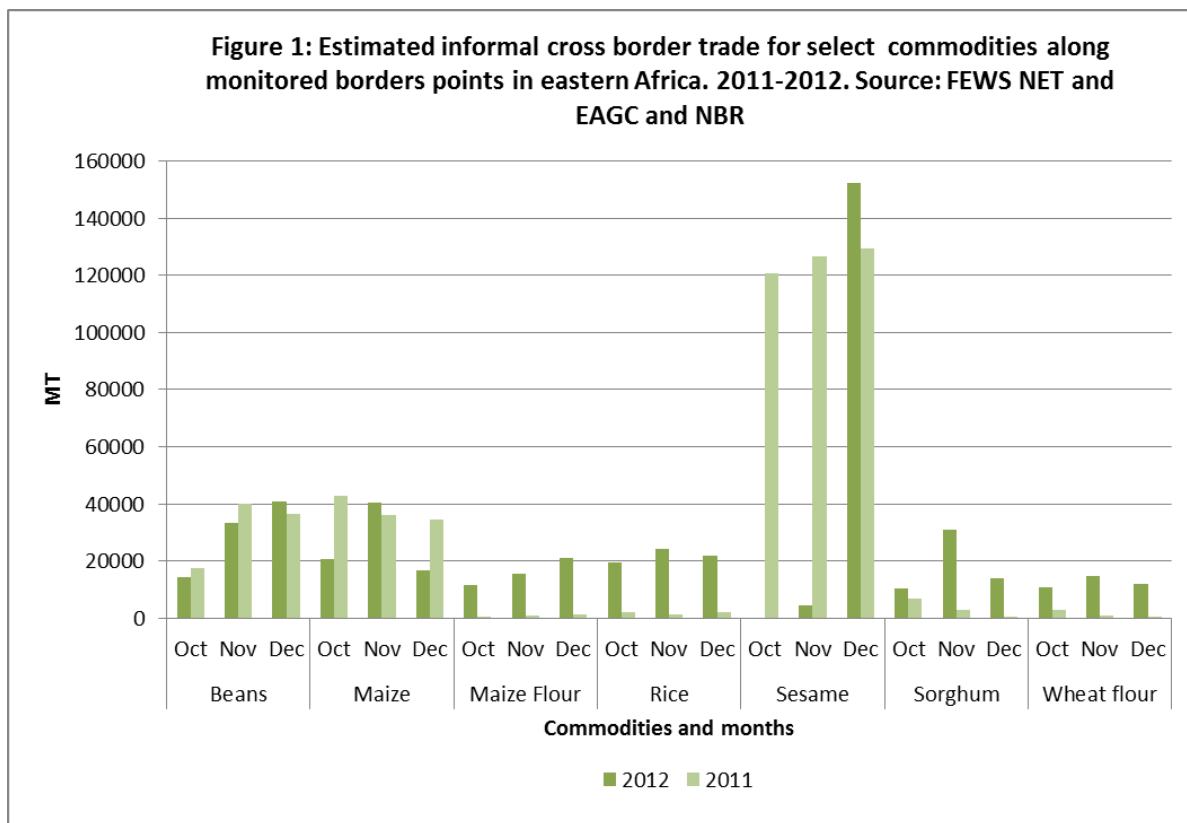
Summary

- Informal trade in major crop commodities increased but livestock trade in livestock decreased in the fourth quarter of 2012 when compared to 2011.
- Conflict and security operations limited trade flow between October and December 2012 when compared to the same period in 2011 along the northwestern border of DRC with Rwanda, Uganda and Tanzania; Somalia with Ethiopia and Kenya; Sudan and South Sudan; and South Sudan, Kenya and Ethiopia.
- Trade in maize, sorghum and beans is expected to increase in the first quarter of 2013 attracted by relatively higher prices in destination markets across countries.

Crop Commodities

The estimated informal cross-border trade flows of main staple commodities along monitored border points in eastern Africa generally increased during the fourth quarter (October to December) of 2012 when compared to the same period in 2011 as shown in Figure 1. These observed trends are attributed to increased demand for produce in key destination markets of South Sudan, Rwanda, and Kenya, and above-average production in the main source markets of Uganda, Sudan and Southern Tanzania.

Sesame exports from Ethiopia to Sudan for industrial processing increased seasonally with the harvest of the July to October crop in Ethiopia. Sorghum trade between South Sudan and Sudan increased noticeably in the third quarter of 2012 due to a good harvest in Sudan, seasonal high demand in South Sudan, and recent easing of Sudan export ban that has encouraged informal trade although formal trade had not yet resumed by December 2012. Imports of wheat flour into Kenya increased dramatically accompanied by complaints by the Kenya Millers Association of a potential large scale evasion of the common external tariff through complex trade within the East Africa Community. Rice trade increased almost ten-fold between the fourth quarter of 2011 and 2012 in response to higher prices for the locally produced commodity in Kenya, Rwanda, and DRC. Rice imported internationally is blended with local production and sold as local produce to attract less tax and reduce sales price.



Elsewhere in eastern Africa, informal cross-border trade decreased during the fourth quarter of 2012 when compared to the same period in 2011. Domestic conflict in eastern DRC adversely affected imports of maize flour, wheat, and rice from and/or in transit through Uganda, Tanzania, and Rwanda. Rice and maize imports from Somalia were down 15 and 50 percent respectively due to ongoing military operations along the borders with Ethiopia and Kenya. Cross border trade in cooking bananas between Uganda, Tanzania, Rwanda and Kenya declined by about 69 percent affected by Banana Xanthomonas Wilt (BXW) that has resulted in below-average production levels and high prices.

Livestock

The estimated informal cross-border trade along monitored border points in eastern Africa of cattle, camels and goats was low by 73, 61 and 42 percent respectively in October, November and December 2012 compared to the same period in 2011. This was attributed to restocking of livestock with improved availability pasture and water in the region, security operations along the borders of Somalia with Kenya and Ethiopia, and insecurity along the borders of South Sudan, Ethiopia and Kenya.

Outlook

Informal cross-border trade of maize, sorghum, beans, and rice in the region are expected to continue on an upward trend between January and March 2013.

Trade in maize is expected to remain high due to high demand of maize in Rwanda and Kenya where production total production from the two seasons in 2012 was lower than that of 2011. Despite an expected below average production in the northern bimodal areas of Tanzania, informal cross border trade is expected to remain high (if a ban on trade is not enacted) attracted by the relatively higher prices in Kenya and Rwanda. Sorghum exports to Sudan are expected to increase seasonally after harvest but the trade flow through Southern Kordofan in Sudan may be disrupted by conflict. Bean and rice trades are anticipated to increase due

to structural deficits in most countries in the region. The informal trade in wheat flour may be limited if complaints by the Kenya Miller's association is taken up by the government and tax payments are enforced. Trade in cooking bananas is expected to be depressed due to low supply as a result of Banana Xanthomonas Wilt (BXW).

Annex

Year	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
2012													
Burundi		11,022	16,903	8,579	18,123	15,956	11,257	14,769	13,057	13,031	838	270	123,804
Djibouti	N/A	N/A	N/A	N/A	N/A	N/A	N/A	253	598	1,617	149	N/A	2,617
DRC	1,610	1,862	2,173	1,590	1,555	1,824	1,581	1,388	381	410	70	N/A	14,444
Ethiopia	168,851	90,417	220,522	42,226	74,538	48,125	64,670	90,853	60,170	77,118	58,852	164,571	1,160,913
Kenya	205	293	121				67	601	862	1,980	3,924	617	8,670
Rwanda	10,350	63,227	82,651	50,402	98,828	149,755	73,763	88,297	78,653	80,600	470	N/A	776,996
Somalia	5,635	6,989	16,497	10,765	10,282	5,922	6,748	13,837	10,935	18,256	10,873	136	116,875
South Sudan	N/A	N/A	N/A	N/A	343	8,524	971	1,029	4,142		331	113	15,453
Sudan	339		385	26	648	3,616	4,614	1,372	31,306	5,807	135	21	48,269
Tanzania	6,938	10,663	13,475	2,219	1,732	2,547	369	374	135	147	195	627	39,421
Uganda	85,286	74,261	59,618	40,842	72,728	138,638	114,996	245,133	99,355	89,140	174,047	138,495	1,332,537
Grand Total	279,213	258,733	412,346	156,648	278,777	374,907	279,037	457,905	299,594	288,106	249,884	304,850	3,639,999
2011													
Burundi	10,180	N/A	N/A	19,803	N/A	N/A	6,808	6,336	9,000	11,205	33,680	12,644	109,656
Djibouti		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DRC	599	N/A	N/A	874	N/A	N/A	575	787	3,470	3,052	1,889	2,248	13,494
Ethiopia	15,827	15,584	19,104	11,970	50,573	140,820	177,714	124,310	131,042	285,935	245,437	300,800	1,519,115
Kenya		N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,611	325	95	132	2,163
Rwanda	54,717	N/A	N/A	264,576	N/A	N/A	46,578	74,249	61,131	63,270	92,027	104,067	760,615
Somalia	4,872	5,142	6,948	5,429	7,799	12,606	13,102	22,166	23,794	35,089	17,967	15,049	169,963
Sudan	N/A	N/A	N/A	N/A	N/A	3,990	31,769	3,577	359	127	320	N/A	40,142
Tanzania	161	N/A	1,610	1,531	1,342	765	870	2,535	3,311	9,754	9,723	5,923	37,525
Uganda	51,132	74,177	106,528	59,723	54,077	54,909	62,563	50,783	51,805	51,742	50,293	50,092	717,823
Grand Total	137,487	94,904	134,190	363,906	113,791	213,090	339,978	284,744	285,522	460,499	451,432	490,955	3,370,496

The main staple food crops exported included beans, maize, maize flour sorghum, sorghum flour, rice, wheat, wheat flour, cassava, cassava flour, cooking bananas, cassava flour, groundnuts, Irish and sweet potatoes, beans, sesame and other tubers and roots.

Year	January	February	March	April	May	June	July	August	September	October	November	December	Grand Total
2012													
Cattle	19,975	16,581	31,211	21,418	27,665	17,204	18,198	38,497	22,216	25,428	26,576	1,980	266,949
Goats	23,299	31,144	53,677	36,568	55,638	63,866	33,405	64,160	57,489	70,392	27,278	1,714	518,630
Oxen	35,546	18,618	68,089	N/A	14	1,913	1,857	124	256	N/A	76	131	126,624
Poultry	9,499	50,238	66,419	42,043	78,115	100,842	60,362	75,809	61,204	64,519	83	N/A	609,133
Camels	12,510	4,973	6,548	3,667	5,237	7,748	14,019	9,247	6,080	10,007	13,227	N/A	93,263
Grand Total	100,829	121,553	225,944	103,696	166,669	191,573	127,841	187,837	147,245	170,346	67,240	3,825	1,614,598
2011													
Cattle	20,185	19,483	24,280	21,707	14,969	26,228	45,516	39,883	57,312	98,156	51,160	49,200	468,079
Goats	14,338	3,255	4,994	22,907	19,283	20,653	40,462	38,008	46,602	70,446	38,531	39,984	359,463
Oxen	N/A	N/A	N/A	N/A	9,779	46,844	53,221	46,151	58,331	22,127	28,133	78,057	342,643
Poultry	40,866	N/A	N/A	57,026	N/A	N/A	32,293	42,425	38,579	41,055	84,427	86,783	423,454
Camels	N/A	N/A	N/A	733	4,688	15,338	27,309	10,936	4,013	18,408	21,604	9,551	112,580
Grand Total	75,389	22,738	29,274	102,373	48,719	109,063	198,801	177,403	204,837	250,192	223,855	263,575	1,706,219