



INFORMAL CROSS BORDER STAPLE FOOD TRADE IN SOUTHERN AFRICA

Issue No. 002

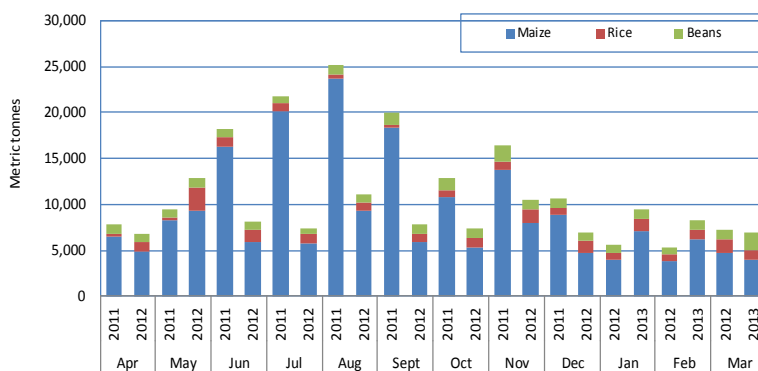
Jan-Mar, 2013

This Cross Border Staple Food Trade Monitoring Bulletin is prepared by the Alliance for Commodity Trade in Eastern and Southern Africa– ACTESA (A Specialised Agency of COMESA) with funding from the Alliance for a Green Revolution in Africa (AGRA). The report is based on data collected by a network of cross border monitors based at selected active border points in Malawi, Mozambique, Zimbabwe and Zambia. The cross border monitors record data on a regular basis, and transmit it to a central location for collation and analysis. Currently, the informal cross border trade monitoring system includes 30 borders. ACTESA has since March 2011, been collaborating with the World Food Programme (WFP) and the Famine Early Warning Systems Network (FEWS NET) on this initiative. Please address any comments/suggestions to the following e-mail addresses: achuula@comesa.int; gmagai@comesa.int; cmwila@comesa.int; echanda@comesa.int; or gchansa@comesa.int.

SUMMARY

- Total volumes of observed informal monthly trade since the start of 2012/13 (April, 2012 to March, 2013) marketing year are at lower levels compared to last year. Total volumes recorded between January and March, 2013 have increased by 35.9 percent compared to the same period last year, with Maize trade experiencing the highest increase by 38 percent.
- Cumulative (since April 2012) volume of informally traded maize has also dropped by 53.2 percent from 135,630 MT last year, to 63,430 MT on account of the drastic drop in outflows from Malawi (a major exporter last season). While rice trade has significantly been higher compared to last year (94 percent increase from 8,484 MT to 16,464 MT), trade in beans has also increased by 11.6 percent (Increasing from 12,655 MT to 14,142 MT).
- March year on year price trends show significant increases (between 43 – 212 percent) in maize prices across most monitored border sites. The high increases on the Mozambique/ Zimbabwe (Machipanda) border are attributed to the sustained high demand of maize in Mozambique which has given incentives to traders to source supplies within neighboring Zimbabwe.

Figure 1: Maize, Rice and Bean Trade Volumes: April 2012 - Mar 2013 compared to April 2011 - Mar 2012



Informally total traded volumes of maize, rice and beans have been consistently above levels recorded over the same period last year. Compared to the same January – March period last year, total trade is 35.9 percent up (24,666 MT compared to 18,138 MT last year). Total maize trade increased significantly by 38 percent compared to the January to March period last year (Rising from 12,570 MT last year to 17,355 MT). Rice trade on the other hand has been well above the levels that were traded in the January – March period last year, with an overall increase of 21 percent. Most of this trade (49.9 percent) has been outflows from Malawi to Tanzania. Bean trade has also increased by 11.6 percent from a cumulative April 2011– March 2012 total of 12,655 MT to 14,142 MT of April 2012– March 2013. Maize remains the most traded commodity accounting for 70.4 percent of total informal trade captured over the period

January – March 2013 compared to same period last year which recorded 69 percent.



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Summary of Maize trade flows

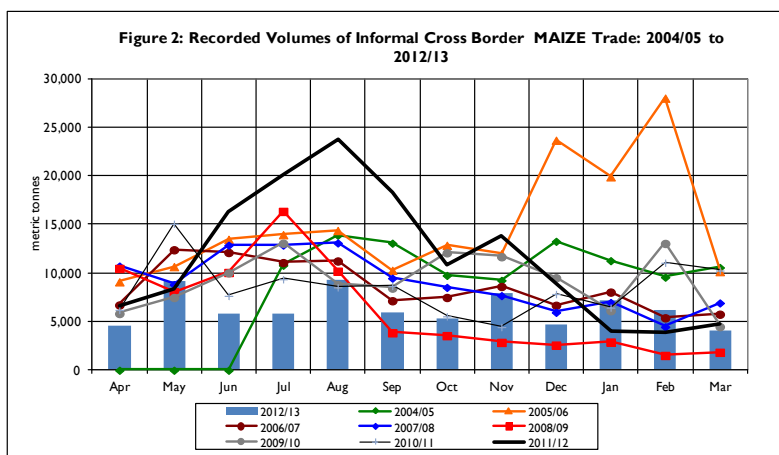
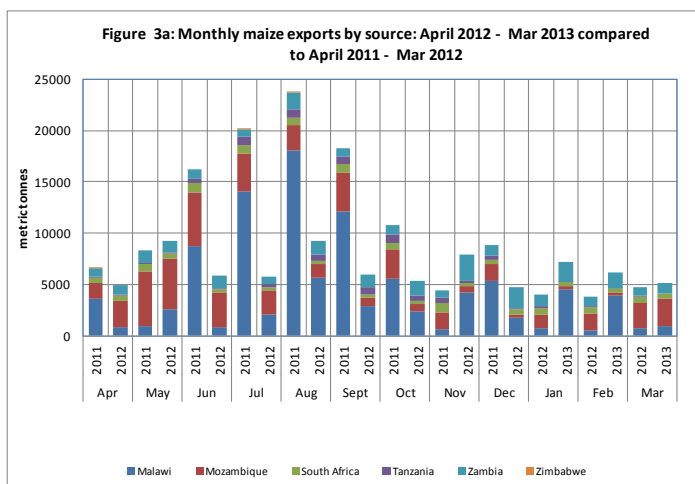
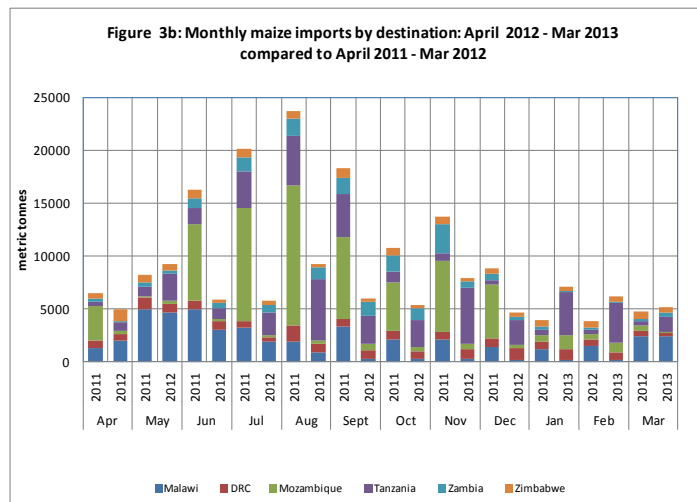


Figure 2 shows trends in volumes of informal maize grain and maize meal trade among the key monitored countries while Figures 3a and 3b show trade flows by source and destination. Total volumes of informal trade across the monitored countries for the period between January and March 2013 amounted to 17,356 MT as opposed to the same period in 2012 which recorded 12,570 MT. The highest informal trade volumes recorded during this time period was 7,158 MT in the month of January, 2013. March, saw a drop in trade volumes to the lowest at 4,025 MT as opposed to March, 2012 which recorded an increase to the highest at 4,755 MT over the same period. This drop in volumes traded between January and March is dissimilar to the trend observed over the same period in 2012.

Exports: At country level, total informal exports from Malawi to Mozambique, Tanzania, and Zambia were the highest at 9,341 MT. Of these, 6,703 MT went to Tanzania, 2,506 MT to Mozambique and only 132 MT went to Zambia. Similarly, informal exports from Zambia to the DRC, Tanzania, Mozambique and Malawi amounted to 2,099 MT, 2,074 MT, 832 MT and 24 MT, respectively, bringing the total to 5,029 MT. On the other hand, Tanzania’s total informal exports of 94 MT were all destined for Malawi (76 MT) and Zambia (18 MT). Most of Mozambique’s exports of 1,528.19 MT went to Malawi (1,280 MT), Zambia (248 MT) and Zimbabwe (0.19 MT), while South Africa’s 1,363 MT of exports were all destined for Zimbabwe. Total informal trade from Malawi to Tanzania registered the highest monthly volumes comprising 50 percent of the total traded over this period. The highest (3,340 MT) was recorded in January. However, this was followed by a slight fall of 8 percent in February with volumes dropping to 3,082 MT. This could be attributed to the slight increase in prices in the source markets of Malawi where increases of up to 19 percent were recorded between January and February.



Imports: In the same period January-March, 2013, Tanzania’s informal maize imports were the highest at 8,777 MT with 6,703 MT and 2,074 MT from Malawi and Zambia respectively, followed by Mozambique (3,338 MT) with 2,506 MT and 832 MT from Malawi and Zambia, respectively. DRC received 2,099 MT all from Zambia, while Malawi’s 1,380 MT with 1,280 MT, 76 MT and 24 MT were from Mozambique, Tanzania and Zambia, respectively. Zimbabwe’s 1,363.19 MT with 1,363 MT and 0.19 MT were from South Africa and Mozambique, respectively. Zambia recorded the least informal imports of 398 MT with 248 MT, 132 MT and 18 MT from Mozambique, Malawi and Tanzania, respectively.



Maize Meal: Tanzania’s informal imports of maize meal from Zambia were the highest at 842 MT, followed by Mozambique’s 839 MT with 635 MT and 204 MT from Zambia and Malawi, respectively, Zimbabwe with 736 MT all from South Africa, DRC with 633 MT all from Zambia and lastly, Zambia’s only 32 MT with 22 MT and 10 MT from Malawi and Tanzania, respectively. The lowest and highest totals traded over this period were 942 MT and 1,133 MT registered in the months of February and January, 2013, respectively (Table 2, Page 3).

Table 1: 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	Total 10/11 Season	Total 11/12 Season	Jan-Mar 2012	Jan-Mar 2013	Cumulative Apr2011-Mar2012	Cumulative Apr2012-Mar2013
Malawi	Mozambique	133	591	3,755	203	6,124	27,209	59,388	992	2506	59388	4662
Malawi	DRC	0	0	300	0	0	0	0	0	0	0	0
Malawi	Tanzania	944	2,928	1,581	239	6,031	7,073	17,252	861	6703	17252	27397
Malawi	Zambia	81	202	1,779	129	315	444	990	100	132	990	395
Malawi	Zimbabwe	0	0	306	0	0	0	0	0	0	0	0
Mozambique	Malawi	71,218	77,394	56,078	54,223	60,399	23,557	30,356	5073	1280	30356	2409
Mozambique	Zambia	49	1,269	2,113	865	4,462	8,341	4,602	316	248	990	3175
Mozambique	Zimbabwe	5	2,085	11	178	1,761	55	10	1	0	10	2
South Africa	Zimbabwe	1,688	49	47	2,663	1,135	9,430	8,232	1,663	1,363	8,232	4,708
Tanzania	Malawi	84,862	1,888	1,073	2,910	89	261	27	0	76	27	76
Tanzania	Zambia	13,556	6,260	4,980	2,449	3,730	5,034	6,573	447	18	6,573	2,831
Zambia	DRC	4,682	9,481	33,424	4,589	9,861	12,754	9,652	1,829	2,099	9,652	9,247
Zambia	Malawi	49	378	2,500	5,388	546	515	0	0	24	0	24
Zambia	Mozambique	55	2	0	60	130	583	1,239	719	832	1,239	1,847
Zambia	Tanzania	0	7	4	15	257	307	897	369	2,074	897	6,657
Zambia	Zimbabwe	182	299	433	350	28,493	0	0	0	0	0	0
Zimbabwe	Mozambique	85	294	129	2	8	10	0	0	0	0	0
Zimbabwe	Zambia	0	0	166	207	345	508	24	0	0	24	0

Note: Volumes of maize meal trade are estimated in grain equivalent and added to the volumes of informally traded maize as presented in Table 1 above

Table 2: Informal MAIZE MEAL trade flows by source and destination (MT)

Source	Destination	Total 09/10	Total 10/11	Total 11/12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec 2012	Jan-13	Feb-13	Mar-13	Cum total (MT)
Malawi	Mozambique	91	383	608	34	44	20	20	36	31	34	75	58	82	70	51	555
Mozambique	Zimbabwe	25	51	5	448	155	0	0	0	0	0	0	0	0	0	0	603
Mozambique	Malawi	0	540	1,010	0	0	0	0	0	0	0	0	0	0	0	0	0
South Africa	Zimbabwe	904	5,327	2,036	299	341	255	198	186	143	179	189	231	258	231	247	2,757
Tanzania	Zambia	104	545	94	3	5	2	3	2	2	5	8	9	10	0	0	49
Zambia	DRC	1,895	1,446	1,481	150	178	146	83	374	343	309	335	456	313	215	105	3,007
Zambia	Mozambique	11	63	409	0	15	90	35	114	135	0	55	85	172	123	340	1,264
Zambia	Tanzania	24	37	93	52	51	74	45	12	24	25	149	149	298	282	263	1,424
Zambia	Zimbabwe	9,200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Zimbabwe	Zambia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Traded		12,254	8,392	6,859	986	889	587	384	724	678	552	811	988	1,033	921	1,006	9,659

Table 3: Percent change in nominal maize grain prices at source/ destination points (USD cents/kg)

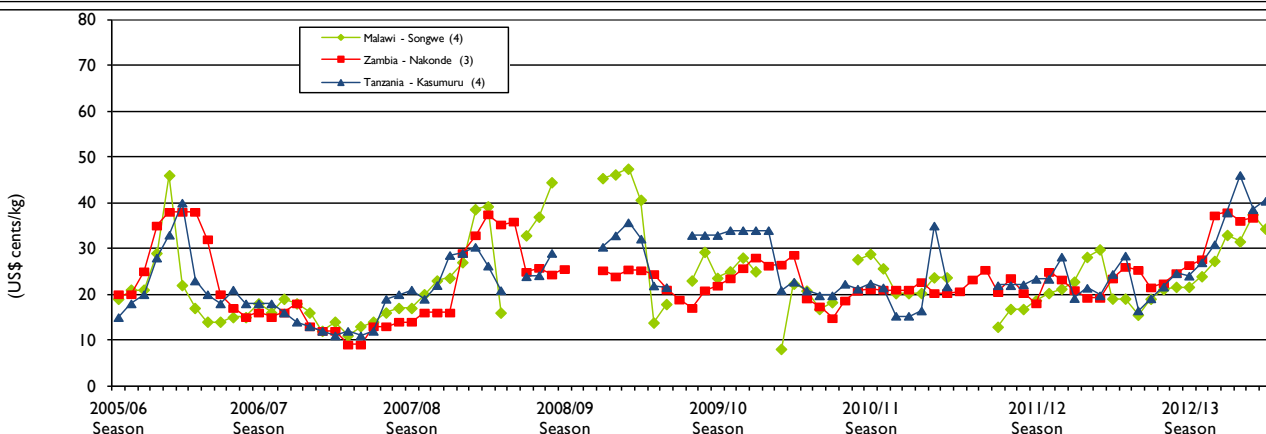
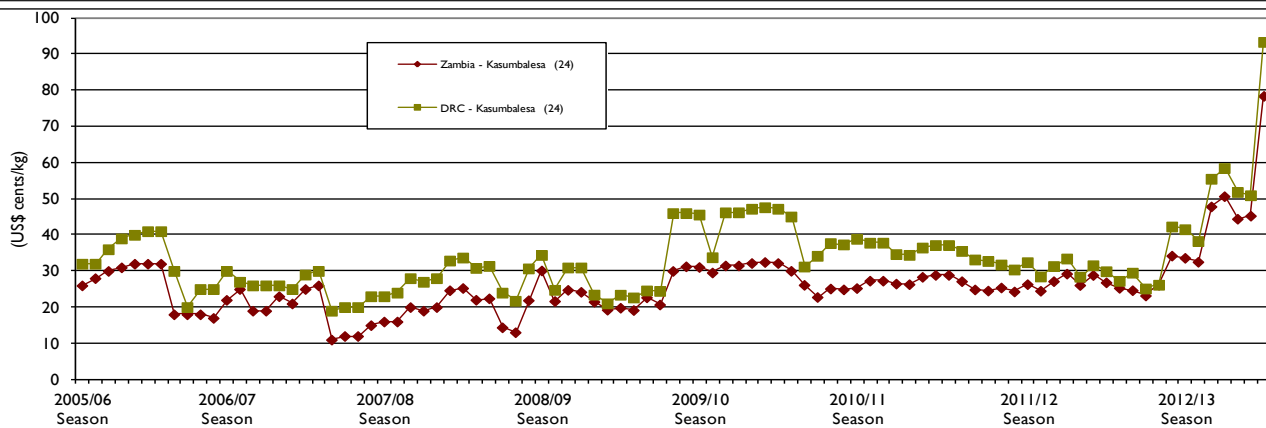
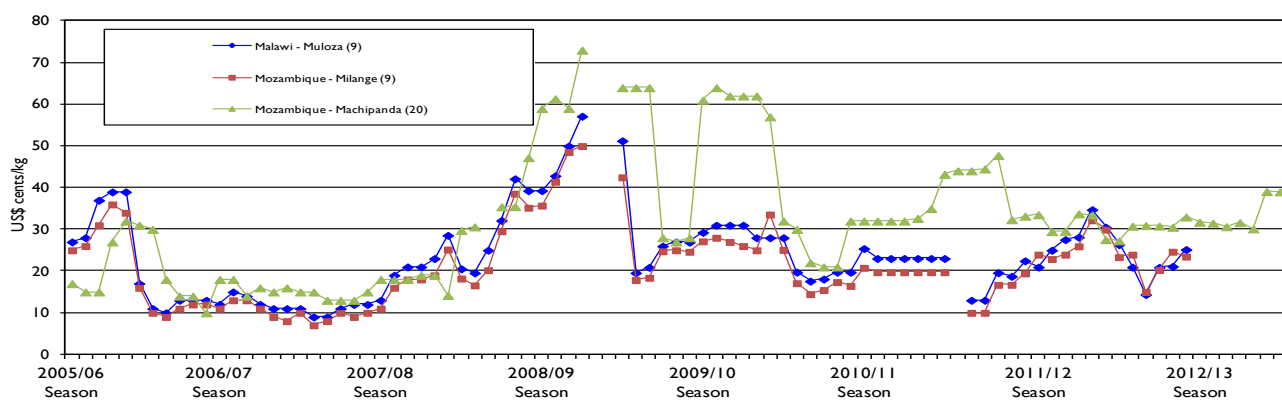
Price at Source (S) and Destination (D)	Sep 2012	Oct 2012	% Change Sep - Oct 2012	Oct 2012	Nov 2012	% Change Oct - Nov 2012	Nov 2012	Dec 2012	% Change Nov - Dec 2012	Dec 2011	Dec 2012	% Change year on year	Jan-13	Feb-13	% Change Jan-Feb 2013	Feb-13	Mar-13	% Change Feb-Mar 2013	Mar-12	Mar-13	% Change year on year
Mal/Moz: Muloza (D)	-	-	-	-	-	-	-	-	-	28.14	-	-	-	-	-	-	-	-	-	-	-
Moz/Mal: Milanje (S)	-	-	-	-	-	-	-	-	-	25.95	-	-	-	-	-	-	-	-	-	-	-
Moz/Zam: Machipanda (S)	31.73	31.51	-1	31.51	30.65	-3	30.65	31.62	3	33.73	31.62	-6	30.13	39.07	30	39.07	39.02	-0	27.25	39.02	43
Zam/DRC: Kasumbalesa (S)	33.63	32.54	-3	32.54	47.85	47	47.85	50.68	6	29.26	50.68	73	44.44	45.28	2	45.28	78.43	73	26.85	78.43	192
DRC/Zam: Kasumbalesa (D)	41.54	38.28	-8	38.28	55.50	45	55.50	58.48	5	33.44	58.48	75	51.85	50.94	-2	50.94	93.37	83	29.91	93.37	212
Tan/Zam: Nakonde (S)	24.05	26.97	12	26.97	30.91	15	30.91	37.85	22	19.16	37.85	98	46.06	44.03	-4	44.03	36.31	-18	23.44	36.31	55

Nominal maize grain prices at source and destination points:

Figures 4a to 4c (page 4) present monthly nominal maize grain prices (in USD equivalent) for selected border points, while Table 3 shows the monthly percentage changes for the current marketing year as well as the year on year change for the period ending March 2013. Prices were slightly stable across the current monitored borders between January and March.

Machipanda (Mozambique/Zimbabwe) recorded a high 30 percent price increase. From February to March, prices rose significantly across most monitored border markets (source and destination); monthly increases ranged between 2 – 83 percent. The higher increases were observed at both sides of the Kasumbalesa border, and were a reflection of tight supplies on markets where traders source their supplies. The exception to the rising trend was at the Machipanda (Mozambique/ Zimbabwe) and Nakonde (Tanzania/ Zambia) borders, where prices have remained unstable throughout the period January to March. Of note in this period is the absence of trade on either side of the Malawi/Mozambique – Muloza/ Mulange border which is normally the most active border in terms of maize trade between the two countries. This is due to a combination of factors including poor production (tighter supplies) in this area of Mozambique last season and unfavorable price differentials which acted as a disincentive for maize trade in either direction. March year on year trends also show significant increases (between 43 – 212 percent) across most monitored sites. The high increases on the Mozambique/ Zimbabwe (Machipanda border) are attributed to the sustained high demand of maize which has given incentive to Mozambican traders to source supplies (favorable differential) within neighboring Zimbabwe.

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



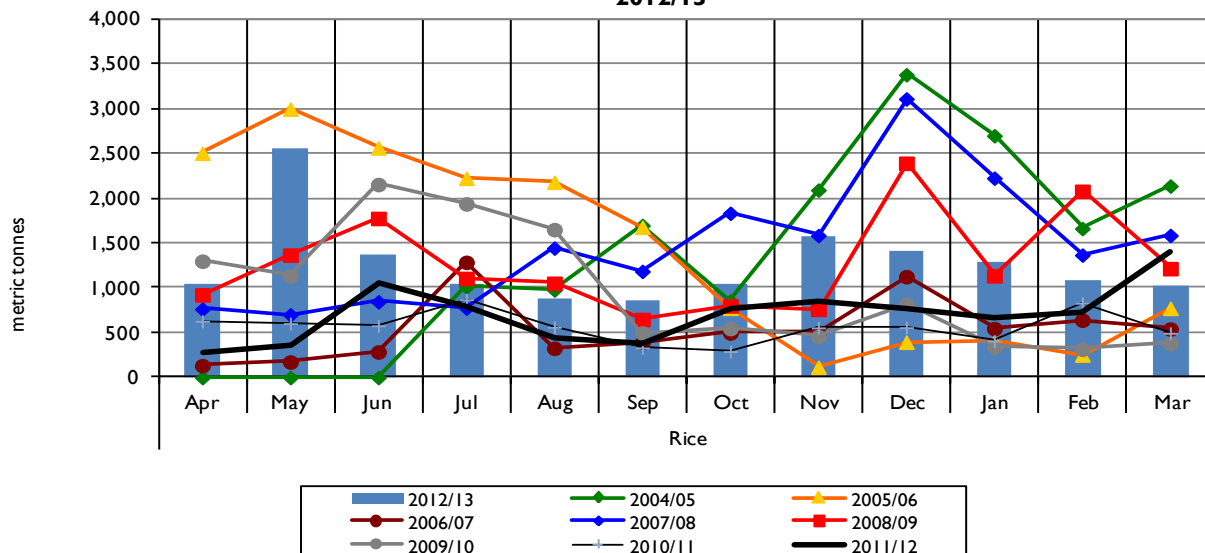
Summary of Rice trade flows

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	Total 09/10 Season	Total 10/11 Season	Total 11/12 Season	Jan-Mar-2012	Jan-Mar-2013	Cumulative April011 - Mar2012	Cumulative April-2012 - Mar2013
Malawi	Mozambique	12	1	822	58	518	921	1,677	431.30	195	1677	652
Malawi	Tanzania	135	1,217	1,568	291	1,909	403	1,648	576.18	1,494	1648	9128
Malawi	Zambia	31	74	2,360	990	2,607	201	0	0.00	0	0	0
Malawi	Zimbabwe	0	0	405	0	630	0	0	0.00	0	0	0
Moz	Malawi	1,691	1,718	444	690	588	250	1,104	724.24	13	1104	302
Moz	Zambia				3	4	15	26	6.00	6	26	22
Moz	Zimbabwe	399	850	1,028	1,958	276	148	143	29.77	27	143	130
RSA	Zimbabwe	64	82	33	25	215	1,254	914	238.44	209	914	879
Tanzania	Malawi	912	4	100	154	0	320	0	0.00	0	0	0
Tanzania	Zambia	641	557	397	374	549	753	1,408	466.76	918	1408	3522
Zambia	DRC	12,629	1,697	6,746	9,333	3,660	1,839	1,274	255.25	474	1274	1606
Zambia	Malawi	0	0	30	0	7	0	0	0.00	0	0	0
Zambia	Tanzania	0	0	3	6	9	10	9	2.00	1	9	12
Zambia	Zimbabwe	106	803	3,312	1,387	568	595	281	62.39	42	281	211
Zimbabwe	Zambia	0	0	185	0	0	0	0	0.00	0	0	0
Total Traded (MT)		16,620	7,003	17,434	15,268	11,541	6,708	8,485	2792.33	3379.00	8484	16464

Table 4 and Figure 5 summarize informal cross border rice trade trends. Volumes of traded rice have been fluctuating throughout this period, (January, 2013 to March, 2013) depending on available supplies and market opportunities. Despite the marked fluctuation, the cumulative total traded between the same period (January, 2013 to March, 2013) was 21 percent higher (at 3,379 MT) than last year's total trade in the same period of 2,792.33 MT (Table 4). The volume of trade recorded in January 2013 (1,290 MT) was the highest for the same period, making up 38 percent of the total of 3,379 MT. Trade flows (ranked in order of volumes) were notable between Malawi/Tanzania (1,494 MT), Tanzania/Zambia (918 MT), and Zambia/DRC (474 MT). In this period, Malawi remains the major source of rice with a total share of 49.9 percent, followed by Tanzania and Zambia at 27 percent and 15 percent, respectively. Elsewhere rice trade volumes were low (below 6 percent of the total). Tanzania was the largest importer over this period, receiving over 40 percent of the total traded. Zambia came in a distant second with a 27 percent share. Flows into the other countries were quite minimal.

Figure 5: Recorded Volumes of Informal Cross Border RICE Trade: 2004 /05 to 2012/13



Annex 1: Trade Tables

Table 6: Informal Cross Border trade in Maize (MT)

Source	Destination	2005/06 Season	2006/07 Season	2007/08 Season	2008/09 Season	2009/10 Season	Apr-Jun 10	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	2010/11 Season	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	2010/11 Season
Tanzania	Zambia	13,556	6,260	4,980	2,449	4,103	1,388	1,891	1,235	520	5,034	702	2,299	3,125	447	6,573
Zambia	Zimbabwe	182	299	433	350	15,726	0	0	0	0	0	0	0	0	0	0
Zambia	Malawi	419	378	2,500	5,388	533	182	334	0	0	515	0	0	0	0	0
Zambia	Tanzania	-	7	4	15	288	106	81	68	52	307	86	188	254	369	897
Malawi	Zambia	81	202	1,779	1,293	311	111	114	125	93	444	75	713	102	100	990
Zambia	DRC	4,682	9,481	33,424	4,588	11,126	3,288	3,793	3,063	2,610	12,754	2,591	2,817	2,415	1,829	9,652
Mozambique	Malawi	71,218	77,394	56,078	54,223	49,137	11,887	9,333	1,423	914	23,557	11,257	8,439	5,587	5,073	30,356
Malawi	Tanzania	944	2,928	1,581	239	7,718	2,364	4,077	351	281	7,073	2,691	11,851	1,849	861	17,252
Tanzania	Malawi	84,862	1,888	1,888	2,910	89	14	0	85	162	261	27	0	0	0	27
Mozambique	Zimbabwe	5	2,085	11	178	1,810	1	51	3	0	55	1	2	5	1	10
Mozambique	Zambia	49	1,269	2,113	864	5,539	943	3,223	3,261	914	8,341	840	1,647	1,799	316	4,602
Malawi	Mozambique	133	591	3,755	203	7,144	556	1,510	5,386	19,758	27,209	10,487	31,666	16,244	992	59,388
Zambia	Mozambique	55	2	0	60	204	230	78	101	174	583	165	189	167	719	1,239
Zimbabwe	Mozambique	85	294	129	2	12	0	4	6	0	10	0	0	0	0	0
South Africa	Zimbabwe	1,688	49	47	2,663	3,122	2,277	2,159	2,660	2,334	9,430	2,151	2,387	1,831	1,863	8,232
Total Traded (MT)		177,959	103,127	108,679	75,426	106,862	23,347	26,647	17,767	27,812	95,574	31,081	62,215	33,377	12,570	139,243

Table 7: Informal Cross Border trade in Rice (MT)

Source	Destination	2005/06 Season	2006/07 Season	2007/08 Season	2008/09 Season	2009/10 Season	Apr-Jun 10	Jul-Sep 10	Oct-Dec 10	Jan-Mar 11	2010/11 Season	Apr-Jun 11	Jul-Sep 11	Oct-Dec 11	Jan-Mar 12	2011/12 Season
Tanzania	Zambia	641	557	397	625	549	179	192	193	189	753	238	304	399	467	1,408
Malawi	Tanzania	135	1,217	1,568	291	1909	229	174	0	0	403	429	441	203	576	1,648
Tanzania	Malawi	912	4	100	154	0	0	320	0	0	320	0	0	0	0	0
Zambia	DRC	12,629	1,697	6,746	9,334	3660	731	393	339	376	1,839	312	358	348	255	1,274
Zambia	Malawi	0	0	30	0	7	0	0	0	0	0	0	0	0	0	0
Malawi	Zambia	31	74	2,360	990	2607	62	79	60	0	201	0	0	0	0	0
Zambia	Zimbabwe	106	803	3,312	1,386	568	126	163	201	106	595	67	62	90	62	281
Mozambique	Malawi	1,691	1,718	444	690	588	226	15	0	9	250	372	4	4	724	1,104
Malawi	Mozambique	12	1	822	58	518	34	160	268	460	921	60	224	962	431	1,677
Mozambique	Zimbabwe	399	850	1,028	1,958	276	20	62	37	29	148	43	35	35	30	143
South Africa	Zimbabwe	64	82	33	25	215	198	202	301	553	1254	153	185	338	238	914
Total Traded (MT)		16,620	7,003	17,434	15,511	10,898	1,804	1,761	1,397	1,722	6,684	1,682	1,622	2,388	2,792	8,485

Annex 1 (continued)

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

Source	Destination	2005/06 Season	2006/07 Season	2007/08 Season	2008/09 Season	2009/10 Season	Apr-Jun 2010	Jul-Sep 2010	Oct-Dec 2010	Jan-Mar 2011	2010/11 Season	Apr-Jun 2011	Jul-Sep 2011	Oct-Dec 2011	Jan-Mar 2012	2011/12 Season
Tanz	Zambia	472	588	1,058	946	1,099	641	342	397	396	1,775	772	696	749	534	2,751
Zambia	Tanz	0	2	0	0	86	34	26	27	36	122	45	56	86	95	281
Zambia	DRC	8,231	2,422	2,487	1,881	3,548	1,296	1,026	779	686	3,788	676	760	569	542	2,547
Malawi	Moz	76	269	149	19	328	2	3	7	0	12	0	1	188	51	240
Zambia	Zim	16	69	170	207	143	47	61	56	45	209	34	34	24	15	106
Moz	Malawi	2,741	2,798	2,375	2,321	2,619	2,452	2,681	1,273	544	6,950	720	876	1,076	746	3,419
Malawi	Tanz	0	0	169	6	6	122	262	0	38	423	0	0	0	10	10
Moz	Zim	4	8	13	29	38	1	102	3	1	106	0	1	3	1	5
Malawi	Zambia	19	268	338	124	52	25	25	27	15	91	16	24	27	14	81
Tan	Malawi	2,459	3,646	3,468	2,749	622	399	392	302	367	1,460	343	613	1,290	710	2,956
RSA	Zim	325	83	11	6	17	25	87	54	89	255	42	28	41	30	141
Total Traded (MT)		14,343	10,153	10,988	8,288	8,558	5,043	5,006	2,926	2,217	15,192	2,683	3,131	4,101	2,776	12,690

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Current Border Monitoring Sites and Trade Flows

