



INFORMAL CROSS BORDER STAPLE FOOD TRADE IN SOUTHERN AFRICA

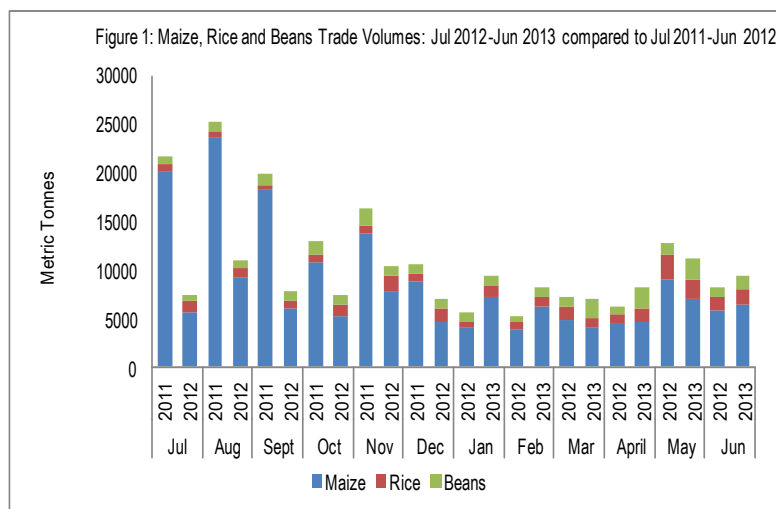
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This Cross Border Staple Food Trade Monitoring Bulletin is prepared by the Alliance for Commodity Trade in Eastern and Southern Africa– ACTESA (A Specialised Agency of COMESA) with funding from the Alliance for a Green Revolution in Africa (AGRA). 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; gmgagai@comesa.int; cmwila@comesa.int; echanda@comesa.int; or gchansa@comesa.int.

SUMMARY

- Total volumes of observed informal monthly trade since the start of 2013/14 marketing year are at lower levels compared to last year. Total volumes of maize trade recorded between April and June, 2013 have decreased by 6.6 percent compared to the same period last year.
- Cumulative (since April 2013) volume of informally traded maize has also dropped by 6.6 percent from 19,403 MT last year, to 18,115 MT on account of the drastic drop in outflows from Malawi (a major exporter last season). While rice trade has slightly been higher compared to last year (1.4 percent increase from 4,954 MT to 5,021 MT), trade in beans has also increased by 106 percent (Increasing from 2,777 MT to 5,719 MT).
- June year on year price trends show significant increases (between 16.2 – 85.8 percent) in maize prices across most monitored border sites. The high increase on the Zambia/DRC (Kasumbalesa) border is attributed to the export ban put in place by the Zambian Government resulting in sustained high demand of maize in DRC which has given incentives to traders to source supplies within neighboring Zambia.



Total volume of informally traded maize has been consistently below level recorded over the same period last year, except for rice and beans which saw an increase. Compared to the same April to June period last year, total trade (maize, rice and beans) is 6.3 percent up (28,853 MT compared to 27,132 MT last year). However, trends in trade varied per commodity: total maize trade decreased by 6.6 percent compared to the April to June period last year (dropping from 19,403 MT last year to 18,115 MT); rice trade on the other hand has been marginally above the level that was traded in the April – June period last year, with an overall marginal increase of 1.4 percent. Bean trade has also increased by 106 percent from a cumulative April 2012– June 2012 total of 2,777 MT to 5,719 MT of April 2013–June 2013. Maize remains the most traded commodity accounting for 62.8 percent of total informal trade captured over the

period April– June 2013 compared to same period last year which recorded 71.5 percent.

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Summary of Maize trade flows

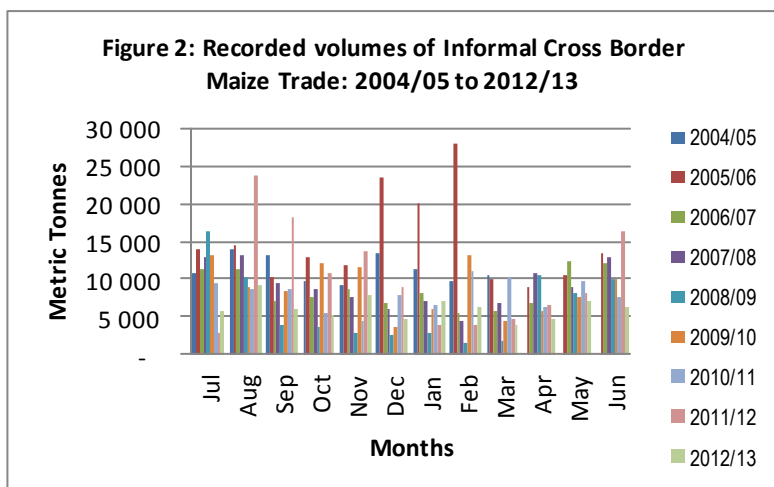
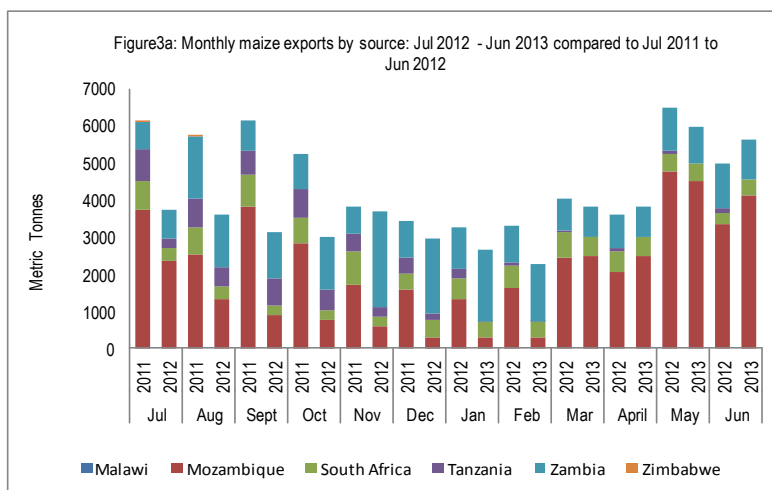
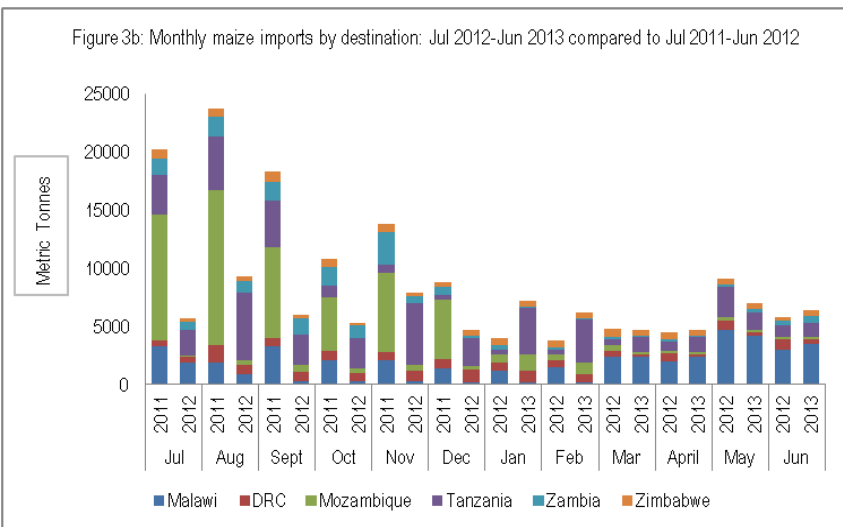


Figure 2 shows trends in volumes of informal maize grain and maize meal trade among the key monitored countries while Figures 3a and 3b show trade flows by source and destination. Total volumes of informal trade across the monitored countries for the period between April and June 2013 amounted to 18,115 MT as opposed to the same period in 2012 which recorded 19,403 MT. The highest informal trade volumes recorded during this time period was 7,011 MT in the month of May, 2013. April, saw a drop in trade volumes to the lowest at 4,741 MT as compared to April, 2012 which also recorded a lowest figure of 4,480 MT over the same period. This drop in volumes traded between April and June is similar to the trend observed over the same period in 2012.

Exports: At country level, total informal exports from Mozambique destined for Malawi and Zambia were the highest at 11,140 MT. Of these, 10,107 MT went to Malawi and 1,033 MT to Zambia. Zambia’s informal exports of 2,898 MT were second to those of Mozambique amounting to 1,708 MT (Tanzania), 890 MT (DRC) and 300 MT (Mozambique). On the other hand, Malawi’s total informal exports of 2,684 MT were destined for Tanzania (2,459 MT), Mozambique (182 MT) and Zambia (only 43 MT), while South Africa’s 1,393 MT of exports were all destined for Zimbabwe. Total informal trade from Mozambique to Malawi was the highest at 55.8 percent of the total traded over this period. The highest (4,234 MT) was recorded in May. However, this was followed by a slight fall of 18.2 percent in June with volumes dropping to 3,464 MT. This could be attributed to the slight increase in prices in the source markets of Mozambique which were recorded between May and June.



Imports: In the same period April-June, 2013, Tanzania’s informal maize imports were the highest at 4,167 MT with 2,459 MT and 1,708 MT imported from Malawi and Zambia respectively. This was followed by Zimbabwe’s imports of 1,393 MT from South Africa. Zambia received 1,076 MT; out of which 1,033 MT were from Mozambique and 43 MT from Malawi. DRC received 890 MT all from Zambia. Mozambique recorded the least informal imports of 482 MT with 300 MT and 182 MT from Zambia and Malawi, respectively.



Maize Meal: Zimbabwe’s informal imports of maize meal from South Africa were the highest at 714 MT, followed by Tanzania’s 644 MT all from Zambia, while Mozambique’s 330 MT was made up of 175 MT from Zambia and 155 MT from Malawi. Lastly, DRC imported 220 MT all from Zambia. The lowest and highest totals traded over this period were 587 MT and 673 MT registered in the months of April and May, 2013, respectively (Table 2, Page 3).

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

Source	Destination	Total 07/08 season	Total 08/09 season	Total 09/10 Season	Total 10/11 Season	Total 11/12 Season	Total 12/13 Season	April - Jun 2012	April - Jun 2013	Cumulative Apr2012-Jun 2012	Cumulative Apr2013-June 2013
Malawi	Mozambique	3 755	203	6 124	27 209	59 388	5 058	396	182	396	182
Malawi	DRC	300	0	0	0	0	0	0	0	0	0
Malawi	Tanzania	1 581	239	6 031	7 073	17 252	31 200	3804	2459	3804	2459
Malawi	Zambia	1 779	129	315	444	990	491	96	43	96	43
Malawi	Zimbabwe	306	0	0	0	0	0	0	0	0	0
Mozambique	Malawi	56 078	54 223	60 399	23 557	30 356	24 433	9667	10107	9667	10107
Mozambique	Zambia	2 113	865	4 462	8 341	4 602	3 688	513	1033	513	1033
Mozambique	Zimbabwe	11	178	1 761	55	10	2	0.78	0	0.78	0
South Africa	Zimbabwe	47	2 663	1 135	9 430	8 232	6 055	1346	1393	1346	1393
Tanzania	Malawi	1 073	2 910	89	261	27	76	0	0	0	0
Tanzania	Zambia	4 980	2 449	3 730	5 034	6 573	3 137	306	0	306	0
Zambia	DRC	33 424	4 589	9 861	12 754	9 652	11 564	2317	890	2317	890
Zambia	Malawi	2 500	5 388	546	515	0	24	0	0	0	0
Zambia	Mozambique	0	60	130	583	1 239	2 262	415	300	415	300
Zambia	Tanzania	4	15	257	307	897	7198	542	1708	542	1708
Zambia	Zimbabwe	433	350	28 493	0	0	0	0	0	0	0
Zimbabwe	Mozambique	129	2	8	10	0	0	0	0	0	0
Zimbabwe	Zambia	166	207	345	508	24	0	0	0	0	0
Total Traded (MT)		108 679	74470	123 686	96 081	139 242	95 188	19403	18115	19403	18115

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 10/11 season	Total 11/12 season	Total 12/13 season	Apr-13	May-13	Jun-13	Cum total (MT)
Malawi	Mozambique	383	608	610	54	58	43	155
Mozambique	Zimbabwe	51	5	605	0	0	0	0
Mozambique	Malawi	540	1 010	0	0	0	0	0
South Africa	Zimbabwe	5 327	2 036	3003	249	261	205	715
Tanzania	Zambia	545	94	49	0	0	0	0
Zambia	DRC	1 446	1481	3083	66	76	79	221
Zambia	Mozambique	63	409	1267	7	2	165	174
Zambia	Tanzania	37	93	1701	211	277	157	645
Zambia	Zimbabwe	0	0	0	0	0	0	0
Zimbabwe	Zambia	0	0	0	0	0	0	0
Total Traded (MT)		8 392	6 859	10318	587	674	649	1910

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

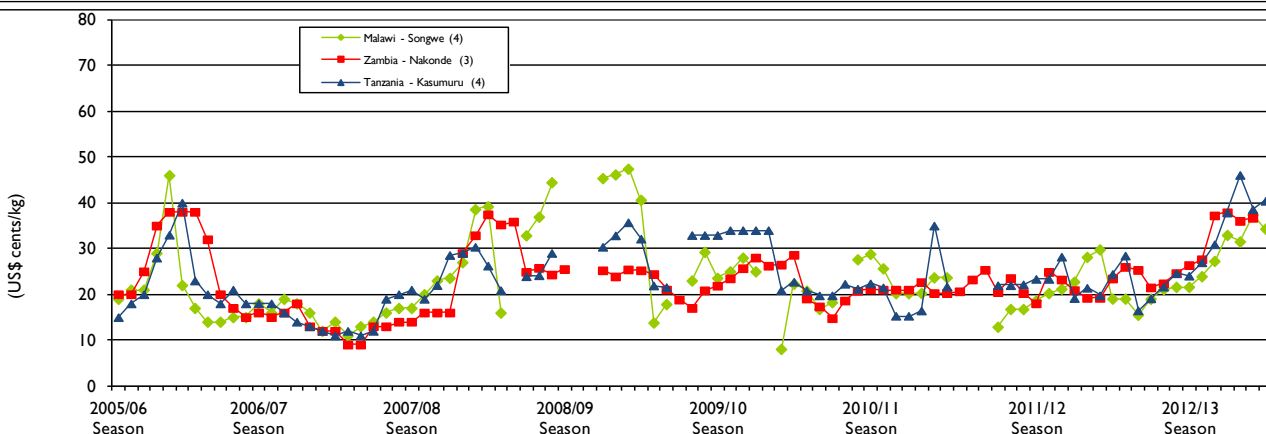
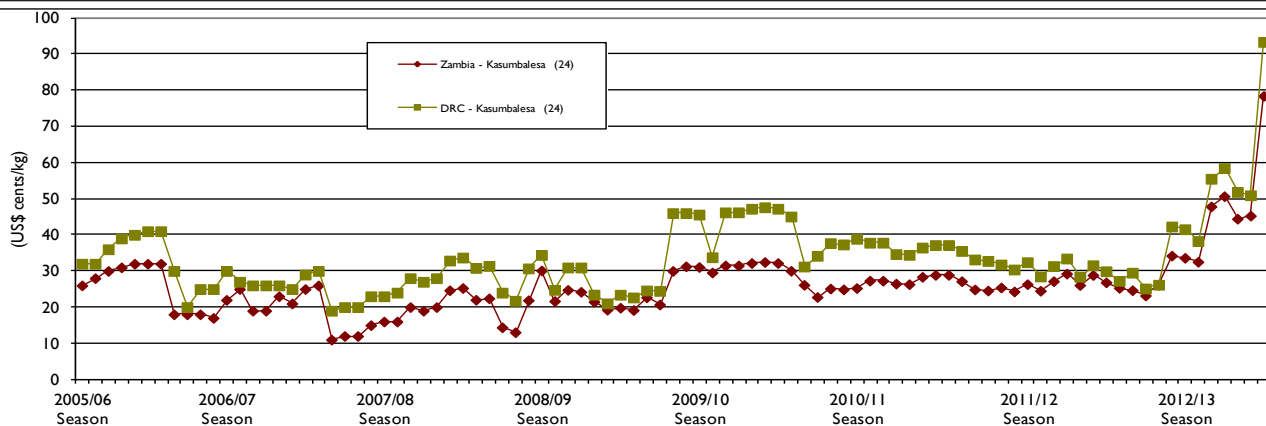
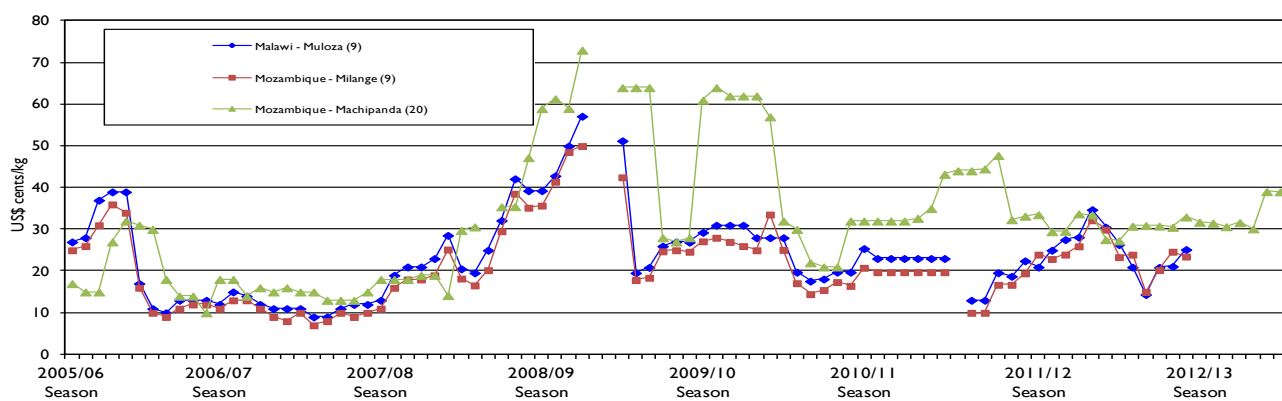
Price at Source (S) and Destination (D)	Jan 2013	Feb 2013	% Change Jan - Feb 2013	Jan 2013	Feb 2013	Mar 2013	% Change Feb - Mar 2013	Mar 2013	Apr 2013	% Change Mar-Apr 2013	Apr-13	May-13	% Change Apr-May 2013	May-13	Jun-13	% Change May-Jun 2013	Jun-12	Jun-13	% Change year on year
Mal/Moz: Muloza (D)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.9	-	-
Moz/Mal: Milanje (S)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20.27	-	-
Moz/Zim: Machipanda (S)	30.13	39.07	30	39.07	39.02	-0	39.02	37.81	-3.10	37.81	40.00	5.79	40.00	35.81	-10.48	30.81	35.81	16.23	
Zam/DRC: Kasumbalesa (S)	44.44	45.28	2	45.28	78.43	73	78.43	79.92	1.90	79.92	62.16	-22.20	62.16	42.32	-32.00	23.21	42.32	82.33	
DRC/Zam: Kasumbalesa (D)	51.85	50.94	-2	50.94	93.37	83	93.37	95.15	1.91	95.15	75.34	-20.82	75.34	46.73	-38.00	25.15	46.73	85.80	
Tan/Zam: Nakonde (S)	46.06	44.03	-4	44.03	36.31	-18	36.31	31.72	-12.6	31.72	35.58	12.17	35.58	30.67	-13.80	21.49	30.67	42.72	

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 June 2013. Prices were slightly stable across the current monitored borders between April and June.

Maize price trends at source and destination markets have varied across the borders since the start of the 2013/14 marketing year in April. Some monitored sites recording prices showed price drops, while others indicated an increase between April and May. Nakonde (Tanzania/Zambia) and Machipanda (Mozambique/Zimbabwe) showed increases, while Kasumbalesa (Zambia/DRC) indicated drops. Between May and June, all sites recording prices indicated price drops, in line with the ongoing main season harvest. 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 as well as unfavorable price differentials which acted as a disincentive for maize trade in either direction. June year on year trends however show significant increases (between 16.23 – 85.80 percent) across most monitored sites; with the highest increases (85.80 percent) recorded in Kasumbalesa. The high increase on the Zambia/DRC (Kasumbalesa) border is attributed to the export ban introduced by the Zambian Government which led to sustained high demand of maize resulting in giving incentives to traders from DRC to source supplies (favorable differential) within neighboring Zambia.

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



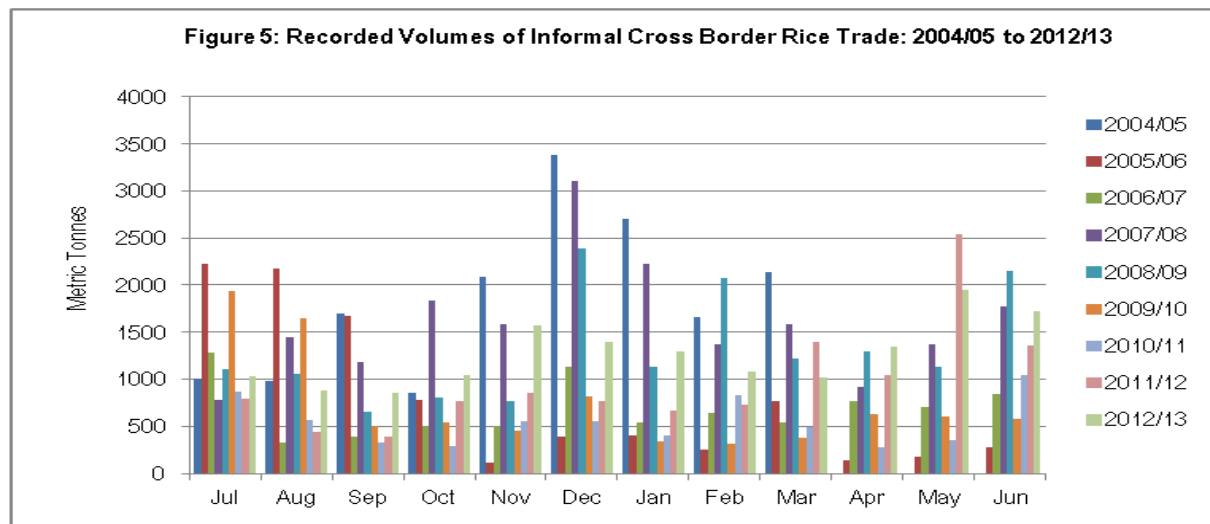
Summary of Rice trade flows

Table 4. Informal cross border RICE trade by source and destination country (MT)

Source	Destination	Total 08/09 season	Total 09/10 Season	Total 10/11 Season	Total 11/12 Season	Total 12/13 Season	Apr-Jun 2012	Apr-Jun 2013	Cumulative April - Jun 2012	Cumulative April-Jun 2013
Malawi	Mozambique	58	518	921	1 677	652	131	163	131	163
Malawi	Tanzania	291	1 909	403	1 648	9 128	3662	2 765	3662	2 765
Malawi	Zambia	990	2 607	201	0	0	0	0	0	0
Malawi	Zimbabwe	0	630	0	0	0	0	0	0	0
Moz	Malawi	690	588	250	1 104	302	76	59	76	59
Moz	Zambia	3	4	15	26	22	6	7	6	7
Moz	Zimbabwe	1 958	276	148	143	156	26	23	26	23
RSA	Zimbabwe	25	215	1 254	914	879	188	162	188	162
Tanzania	Malawi	154	0	320	0	0	0	0	0	0
Tanzania	Zambia	374	549	753	1 408	3 522	516	1 033	516	1 033
Zambia	DRC	9 333	3 660	1 839	1 274	1 606	305	766	305	766
Zambia	Malawi	0	7	0	0	0	0	0	0	0
Zambia	Tanzania	6	9	10	9	12	3	0	3	0
Zambia	Zimbabwe	1 387	568	595	281	211	41	43	41	43
Zimbabwe	Zambia	0	0	0	0	0	0	0	0	0
Total Traded (MT)		15 268	11 541	6 708	8 485	16 490	4954	5021	4954	5 021

Table 4 and Figure 5 summarize informal cross border rice trade trends. Volumes of traded rice have been fluctuating throughout this period, (April, 2013 to June, 2013) depending on available supplies and market opportunities. The volume of trade recorded in May 2013 (1,945 MT) was the highest for the same period, making up 38.7 percent of the total of 5,021 MT. Trade flows (ranked in order of volumes) were notable between Malawi/Tanzania (2,765 MT), Tanzania/Zambia (1,033 MT), and Zambia/DRC (766 MT). In this period, Malawi remains the major source of rice with a total share of 58.3 percent, followed by Tanzania and Zambia at 20.6 percent and 16.1 percent, respectively. Elsewhere rice trade volumes were low (below 3.2 percent of the total). Tanzania was the largest importer over this period, receiving 55.1 percent of the total traded. Zambia came in a distant second with a 20.7 percent share. Flows into other countries were quite insignificant.

Trends in Volumes of Rice Traded by Month and Year



Summary of Bean trade flows

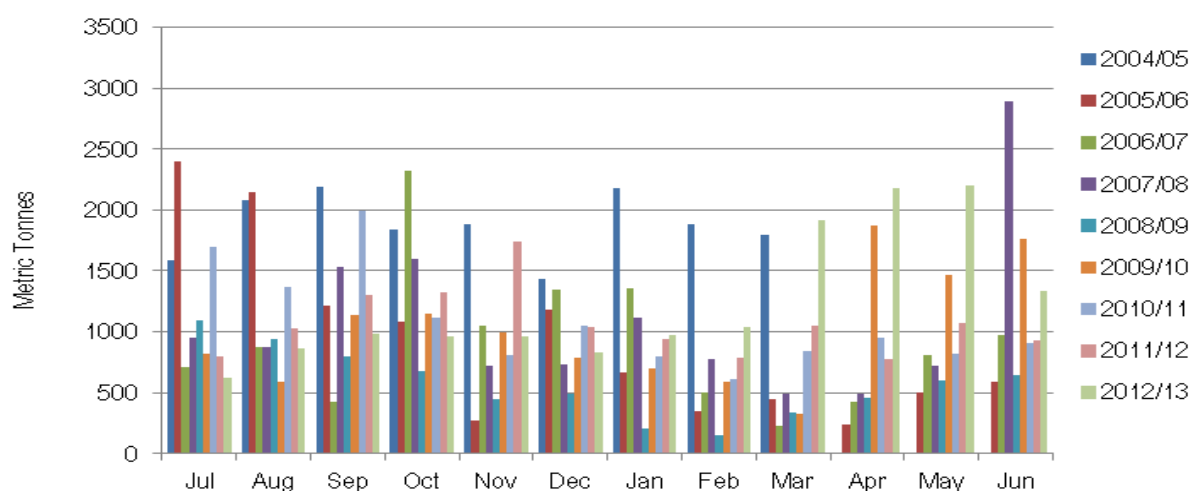
Table 5. Informal cross border BEAN trade by source and destination country (MT)

Source	Destination	Total 08/09 season	Total 09/10 Season	Total 10/11 Season	Total 11/12 Season	Total 12/13 Season	Apr-Jun 2012	Apr-Jun 2013	Cumulative April -Jun 2012	Cumulative April -Jun 2013
Malawi	Mozambique	19	328	12	240	209	34	8	34	8
Malawi	South Africa	0	0	0	0	0	0	0	0	0
Malawi	Tanzania	6	6	423	10	0	0	0	0	0
Malawi	Zambia	124	52	91	81	227	18	39	18	39
Malawi	Zimbabwe	0	0	0	0	0	0	0	0	0
Mozambique	Malawi	3 045	2 619	6 950	3 419	1 187	894	126	894	126
Mozambique	Zambia	151	152	0	0	2	0	0	0	0
Mozambique	Zimbabwe	29	38	106	5	19	3	2	3	2
South Africa	Zimbabwe	6	17	255	141	198	25	158	25	158
Tanzania	Malawi	2 749	622	1 460	2 956	3 177	255	2 045	255	2 045
Tanzania	Zambia	946	1 099	1 775	2 751	4 908	612	1 886	612	1 886
Zambia	DRC	1 880	3 548	3 788	2 547	3 557	774	1 302	774	1 302
Zambia	Mozambique	0	90	188	154	163	34	34	34	34
Zambia	Tanzania	0	86	122	281	405	106	95	106	95
Zambia	Zimbabwe	280	143	209	106	75	22	24	22	24
Total Traded (MT)		9 236	8 800	15 380	12 690	14 127	2777	5719	2777	5719

Table 5 and Figure 6 summarize informal cross border bean trade trends. Volumes of traded beans trade increased between April and June, 2013 with 5,717 MT compared to levels recorded last year (2,775 MT) over the same period. Traded volumes of beans were generally stable ranging from the highest of 2,204 MT recorded in May to the lowest (1,339 MT) in June. The June 2013 trade (1,339 MT) is 44.9 percent higher than the 924 MT recorded last June. Over the April to June, trends show dominance in bean flows between Tanzania/Malawi (2,045 MT), Tanzania/Zambia (1,886 MT) and Zambia/DRC (1,302 MT) borders. Elsewhere beans traded at much lower volumes (below 158 MT). Tanzania ended the year with the highest export share of 68.8 percent, followed by Zambia at 25.4 percent and South Africa at 2.8 percent. The largest informal importer of beans with a total share of 38 percent was Malawi; most of these were from Tanzania and Zambia. Zambia followed with import share of 33.7 percent. Malawi's imports were from Tanzania and Mozambique, while those to Zambia were from Tanzania and Malawi.

Trends in Volumes of Bean Traded by Month and Year

Figure 6: Recorded Volumes of Informal Cross Border Beans Trade: 2004/05 to 2012/2013



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

ACTESA -COMESA, Lusaka, Zambia; FEWS NET Southern Africa Regional Office, Pretoria South Africa; and UN World Food Programme Regional Bureau for Southern Africa, Johannesburg South Africa

Current Border Monitoring Sites and Trade Flows

