



INFORMAL CROSS BORDER STAPLE FOOD TRADE IN SOUTHERN AFRICA

Issue No. 004

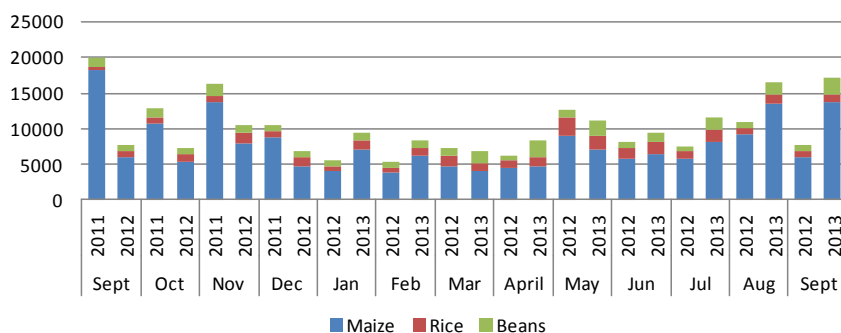
July-September, 2013

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; gmgagai@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 July and September, 2013 have increased by 67.8 percent compared to the same period last year.
- Cumulative (since April 2013) volume of informally traded maize has increased by 32.1 percent from 40,472 MT last year, to 53,468 MT. While rice trade has slightly been higher compared to last year (18.8 percent increase from 7,727 MT to 9,183 MT), trade in beans has also increased by 118.4 percent (increasing from 5,243 MT to 11,453 MT).
- September year on year price trends show significant increases (between 9.1 – 39.2 percent) in maize prices across most monitored border sites. The high increase on the Tanzania/Zambia (Nakonde) border is attributed to the sustained high demand of Maize in Kenya which has given incentives to traders from Tanzania to source supplies within neighboring Zambia.

Figure 1: Maize, Rice and Beans Trade Volumes: Sep 2012-Aug 2013 Compared to Sep 2011-Aug 2012



Total volumes of informally traded maize, rice and beans have been consistently above levels recorded over the same period last year. Compared to the same July to September period last year, total trade (maize, rice and beans) is 71.98 percent up (45,250 MT compared to 26,311 MT last year). However, trends in trade varied per commodity: total maize trade increased by 67.8 percent compared to the July to September period last year (increasing from 21,070 MT last year to 35,353 MT); rice trade, on the other hand, has been above the level that was traded in the July – September period last year, with an overall increase of 50 percent. Bean trade has also increased by 132.5 percent from a cumulative April

2012– September 2012 total of 5,243 MT to 11,453 MT of April 2013–September 2013. Maize remains the most traded commodity accounting for 78.1 percent of total informal trade captured over the period July–September 2013 compared to same period last year which recorded 80 percent.



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Summary of Maize trade flows

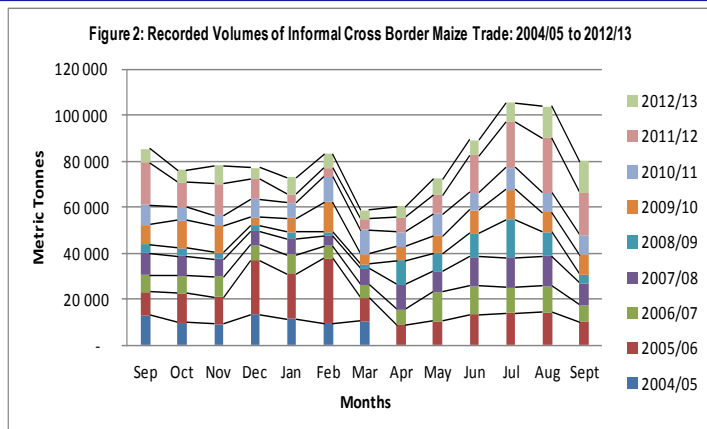
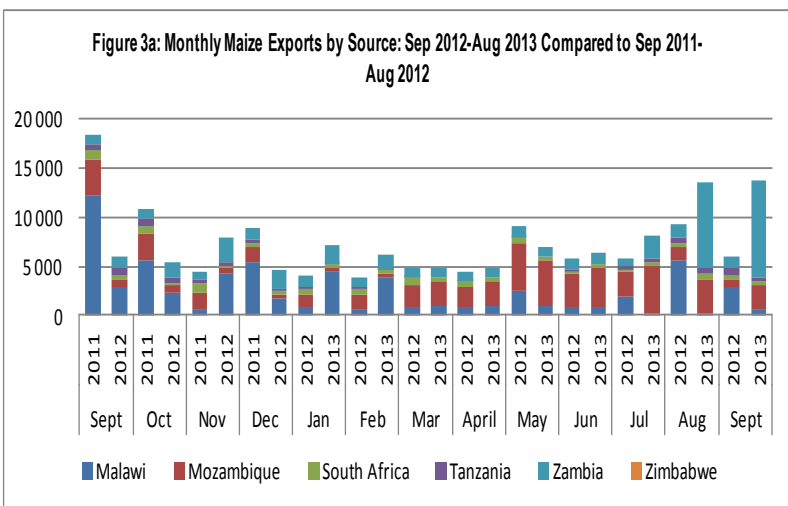
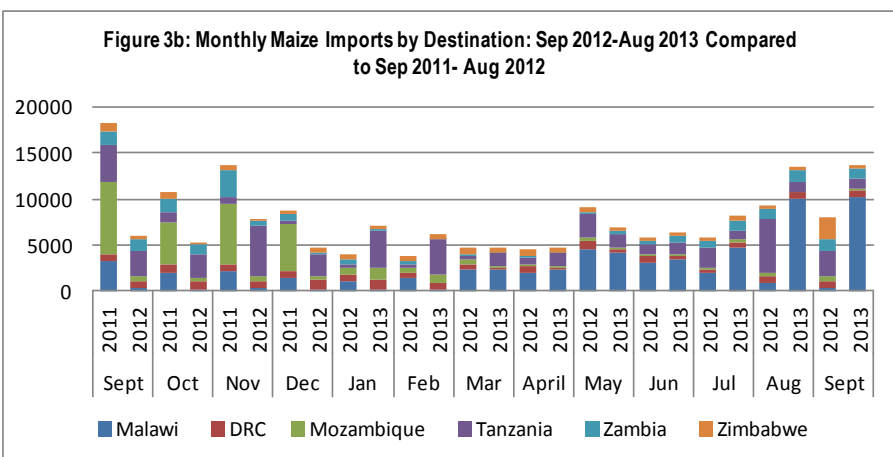


Figure 2 shows trends in volumes of informal maize grain and maize meal trade among the key monitored countries while Figures 3a and 3b show trade flows by source and destination. Total volumes of informal trade across the monitored countries for the period between July and September 2013 amounted to 35,353 MT as opposed to the same period in 2012 which recorded 21,070 MT. The highest informal trade volumes recorded during this time period was 13,706 MT in the month of September, 2013. July, saw a drop in trade volumes to the lowest at 8,154 MT as compared to July, 2012 which also recorded a lowest figure of 5,833 MT over the same period. This drop in volumes traded between July and September is not similar to the trend observed over the same period in 2012.

Exports: At country level, total informal exports from Zambia destined for Malawi, Tanzania, DRC and Mozambique were the highest at 20,795 MT. Of these, 16,173 MT went to Malawi, 2,328 MT to Tanzania, 1,864 MT to DRC and 430 MT to Mozambique. Mozambique’s informal exports of 10,813 MT were second to those of Zambia amounting to 8,958 MT (Malawi) and 1,855 MT (Zambia). On the other hand, Tanzania’s total informal exports of 1,451 MT were destined for Zambia, while South Africa’s 1,292 MT of exports were all destined for Zimbabwe. Malawi’s total informal exports of 1,002 MT were destined for Tanzania (871 MT) and Mozambique (131 MT). Total informal trade from Zambia to Malawi was the highest at 45.7 percent of the total traded over this period. The highest (8,281 MT) was recorded in September. This could be attributed to the slight decrease in prices in the source markets of Zambia which were recorded between July and September.



Imports: In the same period July-September, 2013, Malawi’s informal maize imports were the highest at 25,131 MT with 16,173 MT and 8,958 MT imported from Zambia and Mozambique, respectively. This was followed by Zambia’s imports of 3,306 MT from Mozambique (1,855 MT) and Tanzania (1,451 MT). Tanzania received 3,199 MT; out of which 2,328 MT were from Zambia and 871 MT from Malawi. DRC imported 1,864 MT from Zambia while Zimbabwe received 1,292 MT all from South Africa. Mozambique recorded the least informal imports of 561 MT with 430 MT and 131 MT from Zambia and Malawi, respectively.



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Maize Meal: Zimbabwe’s informal imports of maize meal from South Africa were the highest at 684 MT, followed by Mozambique’s 375 MT with 297 MT from Zambia and 78 MT from Malawi, while DRC’s 249 MT came from Zambia. Lastly, Tanzania imported 144 MT all from Zambia. The lowest and highest totals traded over this period were 450 MT and 513 MT registered in the months of September and July, 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 09/10 Season	Total 10/11 Season	Total 11/12 Season	Total 12/13 Season	Jul - Sept 2012	Jul - Sept 2013	Cumulative Apr 2012-Sept	Cumulative Apr 2013-Sept
Malawi	Mozambique	6 124	27 209	59 388	5 058	845	131	1241	313
Malawi	DRC	0	0	0	0	0	0	0	0
Malawi	Tanzania	6 031	7 073	17 252	31 200	9574	871	13378	3330
Malawi	Zambia	315	444	990	491	96	0	192	43
Malawi	Zimbabwe	0	0	0	0	0	0	0	0
Mozambique	Malawi	60 399	23 557	30 356	24 433	3080	8958	12747	19065
Mozambique	Zambia	4 462	8 341	4 602	3 688	1509	1855	2022	2888
Mozambique	Zimbabwe	1 761	55	10	2	0.12	0	0.9	0
South Africa	Zimbabwe	1 135	9 430	8 232	6 055	938	1292	2285	2685
Tanzania	Malawi	89	261	27	76	0	0	0	0
Tanzania	Zambia	3 730	5 034	6 573	3 137	1566	1451	1872	1451
Zambia	DRC	9 861	12 754	9 652	11 564	2102	1864	4419	2754
Zambia	Malawi	546	515	0	24	0	16173	0	16173
Zambia	Mozambique	130	583	1 239	2 262	316	430	731	730
Zambia	Tanzania	257	307	897	7198	1043	2328	1584	4036
Zambia	Zimbabwe	28 493	0	0	0	0	0	0	0
Zimbabwe	Mozambique	8	10	0	0	0	0	0	0
Zimbabwe	Zambia	345	508	24	0	0	0	0	0
Total Traded (MT)		123 686	96 081	139 242	95 188	21069	35353	40472	53468

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 11/12 season	Total 12/13 season	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Cum total (MT)
Malawi	Mozambique	608	610	54	58	43	36	20	22	233
Mozambique	Zimbabwe	5	605	0	0	0	0	0	0	0
Mozambique	Malawi	1 010	0	0	0	0	0	0	0	0
South Africa	Zimbabwe	2 036	3003	249	261	205	228	227	230	1399
Tanzania	Zambia	94	49	0	0	0	0	0	0	0
Zambia	DRC	1481	3083	66	76	79	78	81	90	469
Zambia	Mozambique	409	1267	7	2	165	128	105	64	472
Zambia	Tanzania	93	1701	211	277	157	43	56	44	788
Zambia	Zimbabwe	0	0	0	0	0	0	0	0	0
Zimbabwe	Zambia	0	0	0	0	0	0	0	0	0
Total Traded (MT)		6 859	10318	587	674	649	513	489	450	3361

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

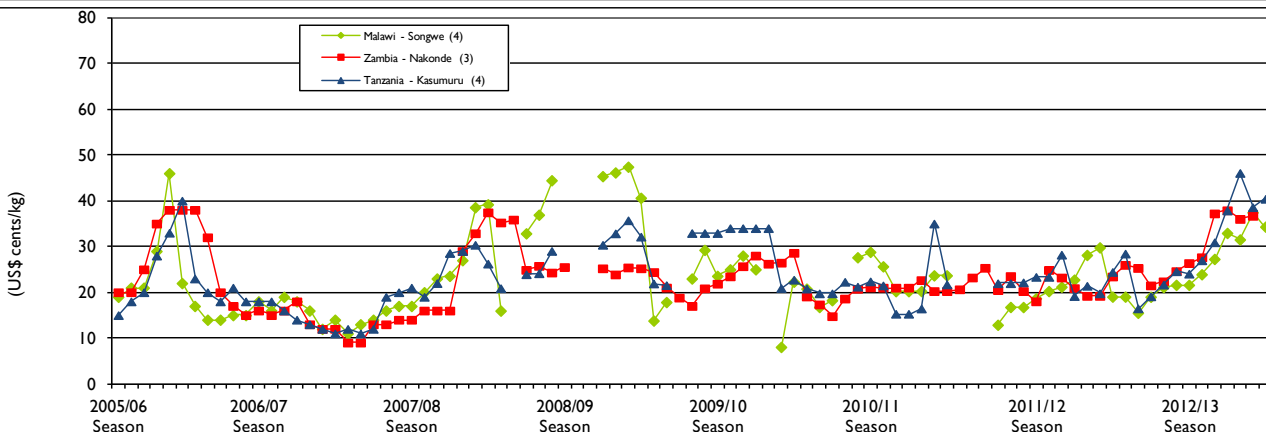
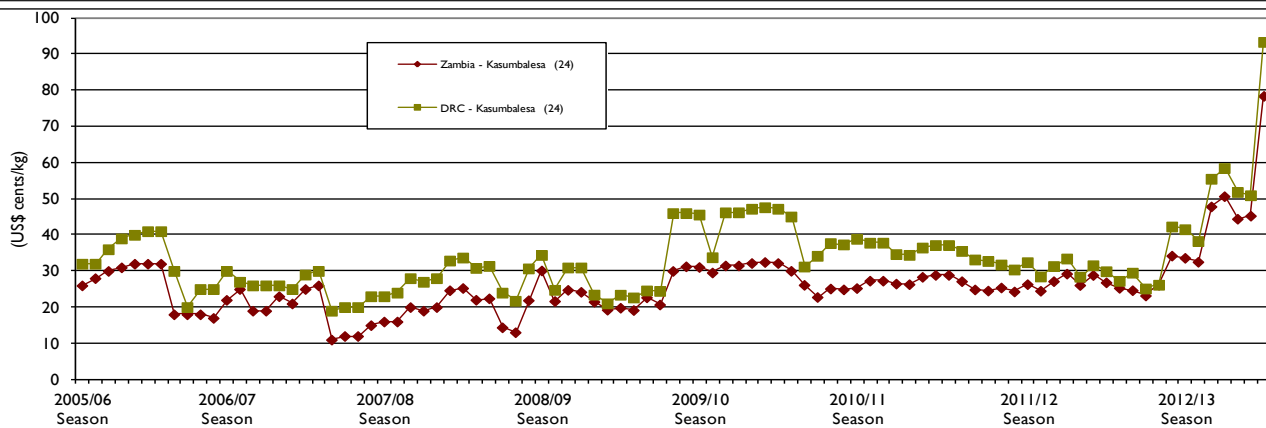
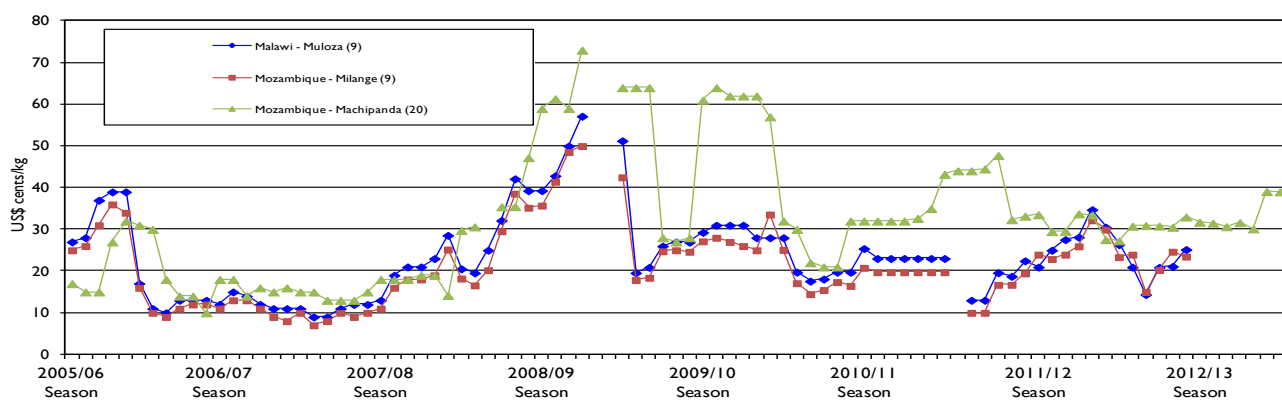
Price at Source (S) and Destination (D)	Jun-13	Jul-13	% Change Jun -Jul 2013	Jul-13	Aug-13	% Change Jul-Aug 2013	Aug-13	Sep-13	% Change Aug-Sept 2013	Sep-12	Sep-13	% Change year on year
Mal/Moz: Muloza (D)												
Moz/Mal: Milanje (S)												
Moz/Zim:- Machipanda (S)	35.81	35.30	-1.40	35.30	35.45	0.42	35.45	35.93	1.35	31.73	35.93	13.24
Zam/DRC: Kasumbalesa (S)	42.32	41.12	-2.80	41.12	37.38	-9.10	37.38	41.55	11.16	33.63	41.55	23.55
DRC/Zam: Kasumbalesa (D)	46.73	44.86	-4.00	44.86	41.12	-8.30	41.12	45.33	10.24	41.54	45.33	9.10
Tan/Zam: Nakonde (S)	30.67	37.38	21.9	37.38	36.34	-2.8	36.34	36.72	1.05	26.38	36.72	39.2

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 September 2013. Prices were slightly stable across the current monitored borders between July and September.

Maize price trends at source and destination markets have varied across the borders during the 2013/14 marketing year (between July and September). Prices fell almost across the board between July and August (drops ranged between 2.8 - 9.1 percent); the only exception was at Machipanda (Mozambique/Zimbabwe) where 0.4 percent increase was recorded. Between August and September, all sites recording prices indicated price increases with Kasumbalesa (Zambia/DRC) recording the highest. 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. September year on year trends however show significant increases (between 9.1-39.2 percent) across most monitored sites; with the highest increase (39.2 percent) recorded in Nakonde. The high increase on the Tanzania/Zambia (Nakonde) border is attributed to the sustained high demand of maize in Kenya resulting in giving incentives to traders from Tanzania 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

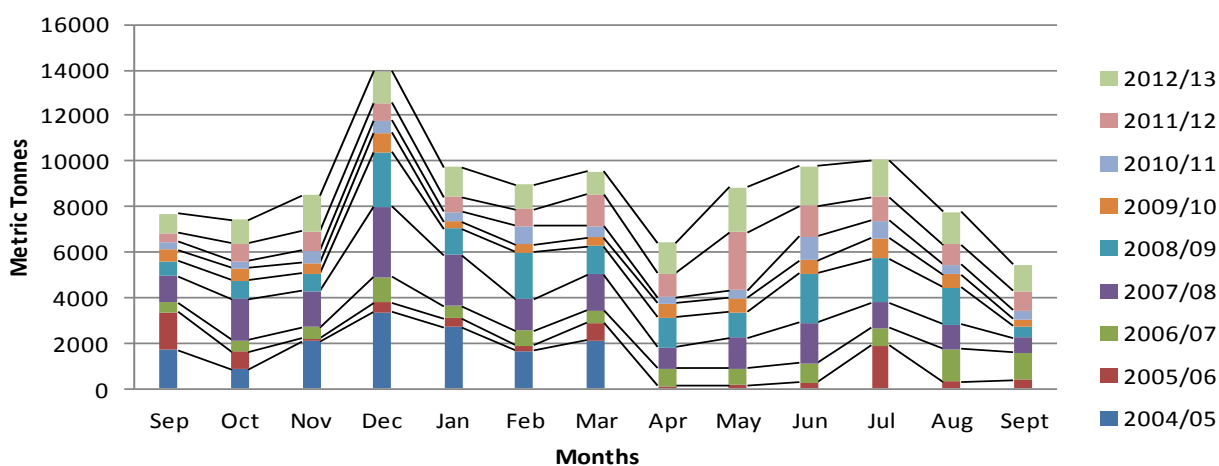
Table 4. Informal cross border RICE trade by source and destination country (MT)

Source	Destination	Total 09/10 Season	Total 10/11 Season	Total 11/12 Season	Total 12/13 Season	Jul-Sept 2012	Jul-Sept 2013	Cumulative April - Sept 2012	Cumulative April-Sept 2013
Malawi	Mozambique	518	921	1 677	652	104	234	235	397
Malawi	Tanzania	1 909	403	1 648	9 128	1241	1 229	4903	3 994
Malawi	Zambia	2 607	201	0	0	0	90	0	90
Malawi	Zimbabwe	630	0	0	0	0	0	0	0
Moz	Malawi	588	250	1 104	302	205	66	281	125
Moz	Zambia	4	15	26	22	3	6	10	13
Moz	Zimbabwe	276	148	143	156	38	39	64	62
RSA	Zimbabwe	215	1 254	914	879	174	182	362	344
Tanzania	Malawi	0	320	0	0	0	0	0	0
Tanzania	Zambia	549	753	1 408	3 522	655	1 837	1171	2 871
Zambia	DRC	3 660	1 839	1 274	1 606	304	430	609	1 196
Zambia	Malawi	7	0	0	0	0	0	0	0
Zambia	Tanzania	9	10	9	12	5	0	7	0
Zambia	Zimbabwe	568	595	281	211	44	48	85	91
Zimbabwe	Zambia	0	0	0	0	0	0	0	0
Total Traded (MT)		11 541	6 708	8 485	16 490	2773	4161	7727	9 183

Table 4 and Figure 5 summarize informal cross border rice trade trends. Volumes of traded rice have been fluctuating throughout this period, (July, 2013 to September, 2013) depending on available supplies and market opportunities. The volume of trade recorded in July 2013 (1,627 MT) was the highest for the same period, making up 39.1 percent of the total of 4,161 MT. Trade flows (ranked in order of volumes) were notable between Tanzania/Zambia (1,837 MT), Malawi/Tanzania (1,229 MT) and Zambia/DRC (430 MT). In this period, Tanzania remains the major source of rice with a total share of 44.1 percent, followed by Malawi and Zambia at 37.3 percent and 11.5 percent, respectively. Elsewhere rice trade volumes were low (below 4.4 percent of the total). Zambia was the largest importer over this period, receiving 46.5 percent of the total traded. Tanzania came in a distant second with a 29.5 percent share. Flows into other countries were quite insignificant.

Trends in Volumes of Rice Traded by Month and Year

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



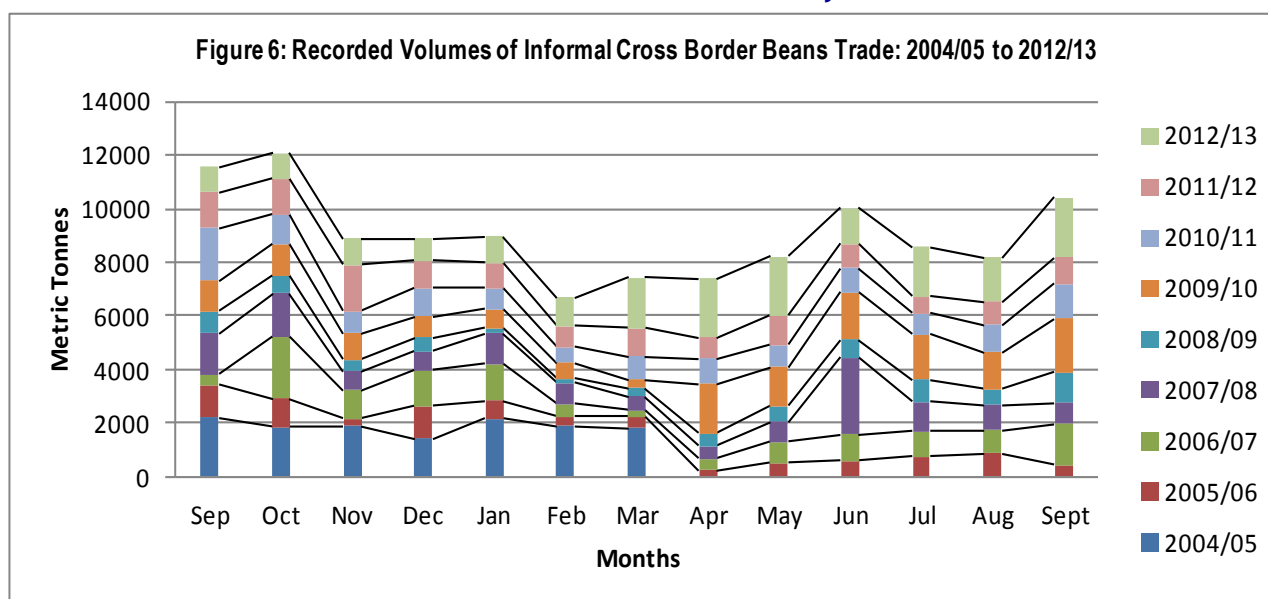
Summary of Bean trade flows

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

Source	Destination	Total 09/10 Season	Total 10/11 Season	Total 11/12 Season	Total 12/13 Season	Jul-Sept 2012	Jul-Sept 2013	Cumulative April -Sept 2012	Cumulative April- Sept 2013
Malawi	Mozambique	328	12	240	209	106	1 541	140	1 549
Malawi	South Africa	0	0	0	0	0	0	0	0
Malawi	Tanzania	6	423	10	0	0	0	0	0
Malawi	Zambia	52	91	81	227	148	68	166	107
Malawi	Zimbabwe	0	0	0	0	0	0	0	0
Mozambique	Malawi	2 619	6 950	3 419	1 187	54	101	948	227
Mozambique	Zambia	152	0	0	2	2	0	2	0
Mozambique	Zimbabwe	38	106	5	19	4	3	7	5
South Africa	Zimbabwe	17	255	141	198	24	88	49	245
Tanzania	Malawi	622	1 460	2 956	3 177	388	833	643	2 878
Tanzania	Zambia	1 099	1 775	2 751	4 908	889	1 984	1500	3 869
Zambia	DRC	3 548	3 788	2 547	3 557	700	945	1474	2 247
Zambia	Mozambique	90	188	154	163	41	32	75	66
Zambia	Tanzania	86	122	281	405	93	132	199	226
Zambia	Zimbabwe	143	209	106	75	19	10	40	34
Total Traded (MT)		8 800	15 380	12 690	14 127	2468	5737	5243	11453

Table 5 and Figure 6 summarize informal cross border bean trade trends. Volumes of traded beans trade increased between July and September, 2013 with 5,736 MT compared to levels recorded last year (2,467 MT) over the same period. Traded volumes of beans were generally stable ranging from the highest of 2,267 MT recorded in September to the lowest (1,639 MT) in August. The August, 2013 trade (1,639 MT) is 88.8 percent higher than the 868 MT recorded last August. Over the July to September period, trends show dominance in bean flows between Tanzania/Zambia (1,984 MT), Malawi/Mozambique (1,541 MT), Zambia/DRC (945 MT) and Tanzania/Malawi (833 MT) borders. Elsewhere beans traded at much lower volumes (below 132 MT). Tanzania ended the year with the highest export share of 49.1 percent, followed by Malawi at 28 percent, Zambia at 19.5 percent and Mozambique at 1.8 percent. The largest informal importer of beans with a total share of 35.8 percent was Zambia; most of these were from Tanzania and Malawi. Mozambique followed with import share of 27.4 percent. Zambia's imports were from Tanzania and Malawi, while those to Mozambique were from Malawi and Zambia.

Trends in Volumes of Bean Traded by Month and Year



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

