INFORMAL CROSS BORDER FOOD TRADE IN SOUTHERN AFRICA

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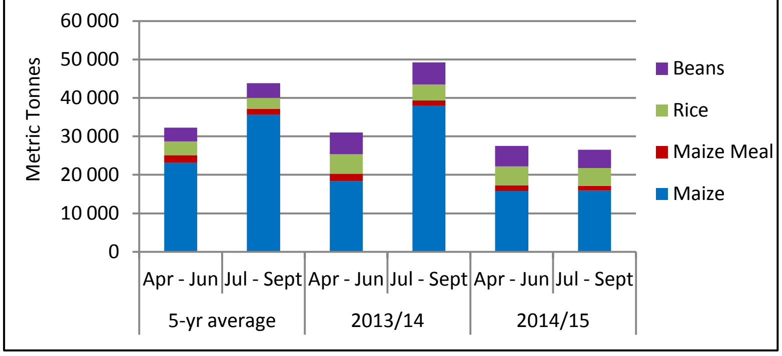
A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative has prepared this report based on data collected by a network of cross border monitors based at selected border points in Malawi, Mozambique, Zimbabwe and Zambia. The cross border monitors record data on a regular basis, and transmit it to a central location for collation and analysis. Currently, the informal cross border trade monitoring system includes 29 borders. The Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA -a specialised agency of COMESA) 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: jkiraka@comesa.int; gchansa@comesa.int; or yvhevha@fews.net;

SUMMARY

- *Volumes of staple cereals traded informal cross borders were 46 per cent lower than 2013 levels between July and September. Trade volumes followed an atypical trend, maintaining the same levels as the April to June quarter when they should have been increasing.*
- *Maize grain remained the most commonly traded cereal; however volumes declined by 58 per cent as compared to same time last year owing to increased harvest in the region. Prices were generally below average.*
- *Maize meal exports were below average by between 14 and 50 per cent*
- *Rice trade continues to increase*

OVERVIEW

Figure 1: Commodity Volumes Traded



Volumes of maize grain, maize meal, rice and beans traded informally within the region were 46 per cent lower than 2013 levels and 40 per cent lower than the five-year average at 26,502 MT between July and September (Figure 1). The trend was atypical, as trade volumes normally peak during this quarter, after the conclusion of the main harvest in June/July. Trade volumes remained at same level as the April – June quarter (being the pre harvest season). While maize remained the most traded commodity, its traded volumes declined the most; falling 58 per cent compared to 2013 and was 55 per cent below the five-year average.

This significant decline was attributed to higher than normal availability of maize in the region as a result of above-average maize harvests from the 2013/14 production year. While bean trade was 18 per cent lower than 2013, the level of trade has been above average (64 per cent higher compared to the five-year average). Rice trade was up 13 per cent compared to last year's levels and also 24 per cent above the five-year average.

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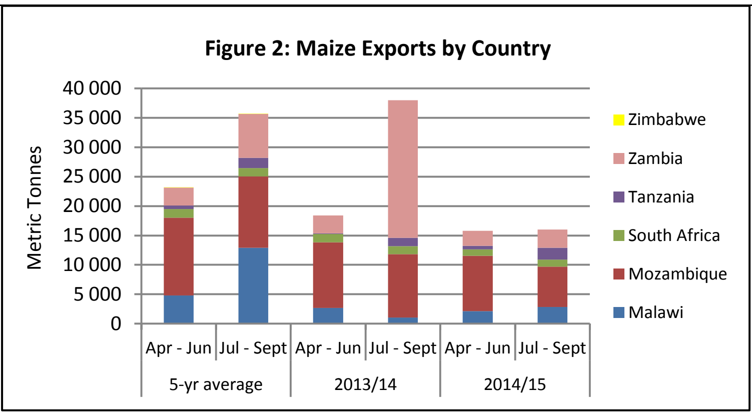
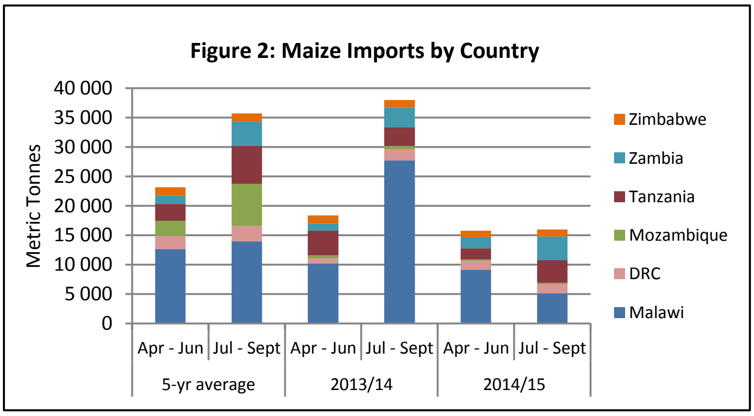
Summary of Maize Trade Flows



Exports: Maize exports were significantly below average and 2013 levels between July and September. The total amount of maize grain informally exported by monitored countries was 15,988 MT, which was 58 per cent lower than 37,970 MT of maize exported the same time last year and 55 below the five-year average (Figure 2). Exports from Zambia to DRC, Malawi, Mozambique and Tanzania were significantly reduced at 3,108MT compared to 23,361MT the previous reporting period. Mozambican exports to Malawi and Zambia were the largest at 6,897 MT, a trend that has been maintained since the beginning of the consumption year. It has been observed that increased imports (July-Sept period) by Zambia always coincide with the period when the Food Reserve Agency is buying maize on the market at above-market-price, thus being basically driven by the attractive FRA prices and not necessarily increased demand for the commodity by consumers.

Malawian exports during this period were way below the five year average by 78 per cent. Nevertheless, these exports were 174 per cent higher than 2013 levels.

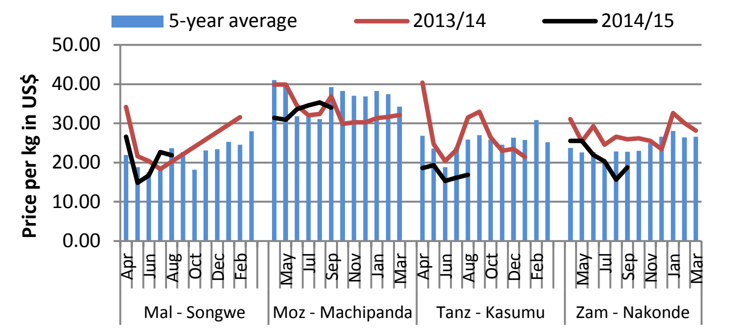
Imports: Maize imports were generally below average for in all countries. In comparison to 2013 levels, Zambia and Tanzania had increase import volumes while for the rest of the countries volumes were lower for all countries as compared to the same period in 2013. Imports into Malawi mainly from Mozambique remained the highest at 5,102 MT but were significantly less than 2013 levels and the five-year average by 82 and 63 per cent between July and September. Maize inflows into Zambia, mostly from Tanzania and Mozambique, by order of significance, were the next highest at 4,041 MT while inflows into Tanzania mainly from Malawi were 3,862 MT.



Imports into Zambia and Tanzania increased by 22 and 21 per cent respectively compared to the same time last year. While Zambian imports remained similar to the five-year average, Tanzanian imports were 41 per cent lower. Mozambican imports were the least at just 200 MT, marking a 66 per cent reduction compared to 2013 levels and a 97 per cent decline as compared to the five-year average.

Maize Meal: Generally, exports of maize meal by the countries were between 14 to 50 per cent below average between July and September. Zambian exports by order of significance, to DRC and Tanzania were the highest at 575 MT. South African exports to Zimbabwe were second highest at 482 MT. While Malawian exports to Mozambique were modest at 75 MT, the level was 241 per cent higher than the same time last year. The largest importers of maize meal were DRC and Zimbabwe, with imports by the former going up 78 per cent compared to the same time last year because of lower production and hence high levels of food insecurity in the country…… Although maize meal inflows into Tanzania were less than the same time last year, the volumes imported were way above average (154 per cent above five-year average). This could be linked to higher demand by consumers in the other EAC countries like Kenya that suffered a deficit during this period.

Figure 7: Maize grain prices at selected borders in USD

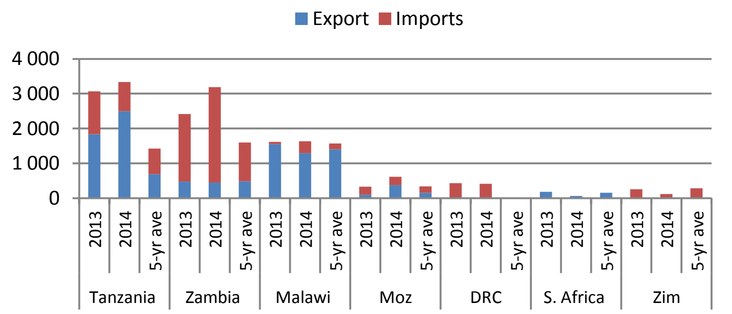


Average maize grain prices were generally similar or significantly below their respective five-year averages, being supported by adequate stocks from above average harvests. Maize grain prices at Kasumuru, Tanzania and Nakonde, Zambia border posts were 43 and 29 percent lower than 2013 and also 35 and 17 percent lower than the five-year average between July and September, However, at Songwe, Malawi and Machipanda, Mozambique border points, prices were similar to their respective five-year averages, but for Songwe the average price was 21 percent higher compared to last year.

SUMMARY OF RICE TRADE

Rice trade continued increasing marking a 13 percent increase compared to last year and 63 percent above the five-year average. The largest volumes of rice were moved between Tanzania, Zambia and Malawi. The main producer countries, Tanzania and Malawi exported the largest amounts of rice, of 2,502 Mt and 1,292 between July and September respectively. Tanzania exports to Zambia have been gradually increasing over the years (Figure 3). On the other hand Malawian exports have been gradually declining owing perhaps reduced production capacity at the national level.

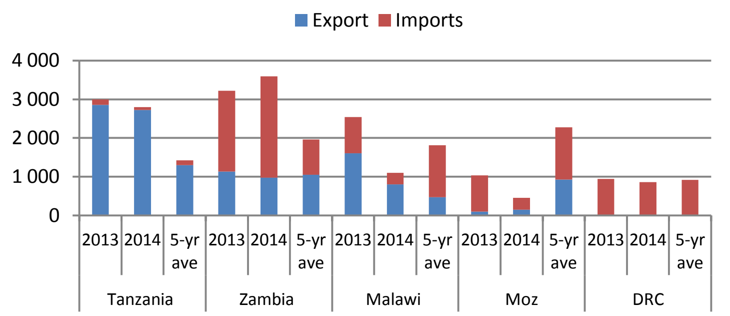
Figure 5: Volumes of Rice traded, Jul - Sept



SUMMARY OF BEAN TRADE

Bean trade in the region went down by 18 percent in comparison with the same period July to September 2013 (Figure 5). Tanzania exported the largest amount of beans, 2,724 MT to Malawi and Zambia while Zambia had the largest bean inflows 2,617 MT between July and September which were 25 percent higher than 2013 levels and 187 percent above the five-year average. Malawian imports and exports of

Figure 6: Volumes of Beans traded, Jul - Sept



beans significantly declined by 68 percent and 50 percent respectively because of above average bean production during the 2013/14. Higher bean production in Mozambique saw exports increasing significantly by 49 percent between July and September while imports came down by 51 percent compared to 2013. The level of however, was well above the five-year average by 95 percent while exports were 84 percent lower.

ANNEXES

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

Source	Destination	2009/10	2010/11	2011/12	2012/13	2013/14	Apr - Jun 2014	Jul - Sep 2014	Cumulative, Apr - Sept 2014
Malawi	Mozambique	6,124	27,209	59,388	4,148	1,432	148	121	269
Malawi	DRC	-	-	-	-	-	-	-	-
Malawi	Tanzania	6,031	7,073	17,252	27,153	4,487	1,068	2,451	3,519
Malawi	Zambia	315	444	990	365	81	911	245	1,156
Malawi	Zimbabwe	-	-	-	-	-	-	-	-
Mozambique	Malawi	60,399	23,557	30,356	15,516	27,808	9,009	5,075	14,084
Mozambique	Zambia	4,462	8,341	4,602	3,126	3,960	422	1,822	2,244
Mozambique	Zimbabwe	1,761	55	10	2	-	-	0	0
South Africa	Zimbabwe	1,135	9,430	8,232	4,679	5,517	1,083	1,192	2,275
Tanzania	Malawi	89	261	27	210	352	-	-	-
Tanzania	Zambia	3,730	5,034	6,573	2,933	2,446	576	1,975	2,551
Zambia	DRC	9,861	12,754	9,652	9,141	5,290	1,489	1,590	3,079
Zambia	Malawi	546	515	-	13	36,200	143	27	170
Zambia	Mozambique	130	583	1,239	1,334	1,317	100	79	179
Zambia	Tanzania	257	307	897	5,846	6,000	817	1,411	2,229
Zambia	Zimbabwe	15,729	-	-	-	-	-	-	-
Zimbabwe	Mozambique	8	10	0	-	-	-	-	-
Zimbabwe	Zambia	345	508	24	-	-	-	-	-
Total Traded (MT)		110,921	96,081	139,243	74,466	94,890	15,765	15,988	31,753

Annex 2: Informal cross border MAIZE MEAL trade by source and destination country (MT)

Source	Destination	2009/10	2010/11	2011/12	2012/13	2013/14	Apr - Jun 2014	Jul - Sep 2014	Cumulative Apr - Sept 2014
Malawi	Mozambique	91	383	608	532	460	93	75	168
Malawi	Zambia	-	-	-	22	-	1	-	1
Mozambique	Malawi	-	540	1,010	-	244	390	5	395
Mozambique	Zimbabwe	25	51	5	605	0	-	-	-
South Africa	Zimbabwe	904	5,327	3,158	2,803	2,960	572	482	1,054
Tanzania	Zambia	104	545	94	49	-	-	-	-
Zambia	DRC	1,895	1,446	1,481	2,989	951	337	444	781
Zambia	Mozambique	11	63	409	930	817	10	7	17
Zambia	Tanzania	24	37	93	1,195	999	81	124	205
Zimbabwe	Zambia	145	-	-	-	-	-	-	-
Zambia	Zimbabwe	9,200	-	-	-	-	-	-	-
Total Traded (MT)		12,399	8,392	6,859	9,125	6,431	1,484	1,137	2,621

Annex 3: Informal cross border RICE trade by source and destination country (MT)

Source	Destination	2009/10	2010/11	2011/12	2012/13	2013/14	Apr - Jun 2014	Jul - Sep 2014	Cumulative Apr - Sept 2014
Malawi	Mozambique	518	921	1,677	563	817	152	236	388
Malawi	South Africa	1,909	403	1,648	4,087	4,087	807	822	1,629
Malawi	Tanzania	2,607	201	0	336	336	179	234	413
Malawi	Zambia	630	0	0	0	0	0	0	0
Malawi	Zimbabwe	588	250	1,104	907	907	492	342	834
Mozambique	Malawi	4	15	26	24	24	5	2	7
Mozambique	Zambia	276	148	143	95	95	26	34	60
Mozambique	Zimbabwe	215	1,254	914	751	751	114	59	173
South Africa	Zimbabwe	0	320	0	133	133	0	0	0
Tanzania	Malawi	549	753	1,408	8,411	8,411	2,715	2,502	5,217
Tanzania	Zambia	3,660	1,839	1,274	2,239	2,239	424	413	837
Zambia	DRC	7	0	0	0	0	0	0	0
Zambia	Mozambique	9	10	9	3	3	2	15	17
Zambia	Tanzania	568	595	281	236	236	31	23	54
Zimbabwe	Zambia	0	0	0	0	0	0	0	0
Zambia	Zimbabwe	11,541	6,708	8,485	18,038	18,038	4,948	4,682	9,630
Total Trade (MT)		23,082	13,416	16,970	35,822	36,077	9,896	9,363	19,259

Annex 3: Informal cross border BEAN trade by source and destination country (MT)

Source	Destination	2009/10	2010/11	2011/12	2012/13	2013/14	Apr - Jun 2014	Jul - Sep 2014	Cumulative Apr - Sept 2014
Malawi	Mozambique	328	12	240	211	3,063	674	752	1,426
Malawi	South Africa	0	0	0	0	0	0	0	0
Malawi	Tanzania	6	423	10	0	0	222	0	222
Malawi	Zambia	52	91	81	221	200	47	51	98
Malawi	Zimbabwe	0	0	0	0	0	0	0	0
Mozambique	Malawi	2,619	6,950	3,419	1,112	417	76	141	217
Mozambique	Zambia	152	0	0	2	0	0	0	0
Mozambique	Zimbabwe	38	106	5	17	5	246	11	257
South Africa	Zimbabwe	17	255	141	107	203	12	42	53
Tanzania	Malawi	622	1,460	2,956	2,056	4,253	332	158	490
Tanzania	Zambia	1,099	1,775	2,751	4,604	9,634	2,708	2,566	5,274
Zambia	DRC	3,548	3,788	2,547	2,875	3,815	852	864	1,717
Zambia	Mozambique	90	188	154	150	135	34	20	54
Zambia	Tanzania	86	122	281	372	411	122	77	199
Zambia	Zimbabwe	143	209	106	74	65	11	13	25
Total Traded (MT)		8,800	15,380	12,690	11,801	22,199	5,336	4,695	10,031

Map of Monitored Border


D.R. Congo
Tanzania
Zombe
Mpulungu
Lumi
Nakonde
Songwe
Mbirima
Kipushi
Kasumbalesa
Mqocha
Malawi
Mchinji
Chanida
Chikalawa
Dedza
Kalanje
Zambia
Nayuchi
Kolowiko
Naminkhaka
Mwanza
Chirundu
Nkumaniza
Muloza
Sankhulani
Makhanga
Cuchamano-Nyamapanda
Marine
Tengani
Chinhoyi
Bindura
Marka
Marondera
Mozambique
Zimbabwe
Mutare
Machipanda-Forbes
Gweru
Bulawayo
Masvingo
Gwanda
Beitbridge-Musina
South Africa
Indian Ocean
Existing Monitors
Field Monitor Coordinators
Cross Border