



# Informal Cross Border Food Trade in Southern Africa



## Monthly Highlights:

- April marks the start of the new agricultural marketing season for Southern Africa.
- Close to 12,000 MT of informal trade in maize, rice and beans was captured in April 2007, representing a 68% rise over volumes recorded in April 2006.
- Retail maize prices continue to decline across the monitored countries due to satisfactory cereal availability.
- Malawi begins its formal maize export programme to Zimbabwe, exports 952 MT in April.

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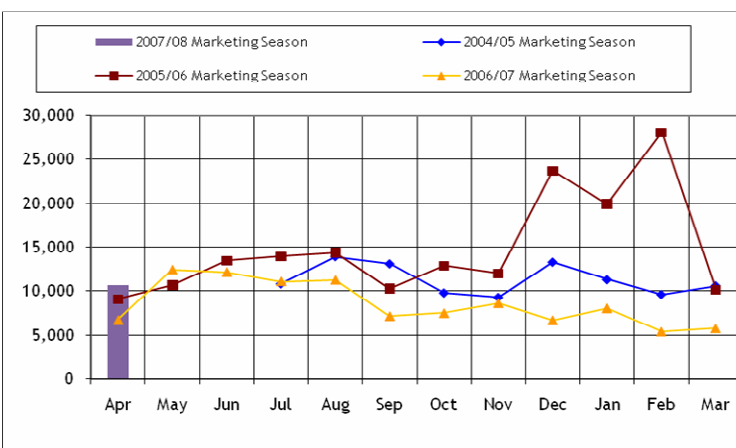
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## Overall summary of trade flows

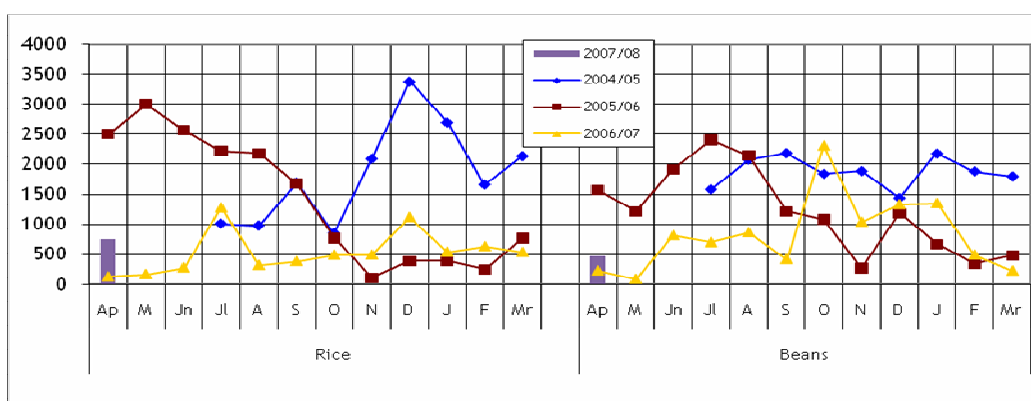
**Figure 1: Recorded Informal Cross Border Maize Trade in DRC, Malawi, Mozambique, South Africa Tanzania, Zambia & Zimbabwe**



The new agricultural marketing season for Southern Africa began in April. By the end of the month, about 11,960 MT of trade in maize, rice and beans was captured by the informal cross border food trade monitoring system. This represents a 68% rise in the overall trade as compared to the same month last year. On a commodity by commodity basis, trade in maize increased from 6,735 MT last April to 10,733 this year. Trade in rice rose five-fold from 133 MT to 751 MT, and the volume of bean trade doubled, from

238 MT to 476MT, over the same period. As compared to March 2007, maize trade in April has doubled from 5,782 MT to 10,733 MT, rice trade increased 38 % from 542 MT to 751 MT, while trade in beans remained at almost similar volumes captured in March (232 MT). The increase in the overall volume of trade captured this April can be partly explained by the unusually high export of maize by Zambia to the DRC (3,774 MT).

**Figure 2: Recorded Informal Cross Border Food Trade in Rice & Beans DRC, Malawi, Mozambique, South Africa Tanzania, Zambia & Zimbabwe**



A Technical Steering Committee (TSC) of the Cross Border Food Trade Monitoring Initiative, with funding from USAID and WFP, has prepared this report based on data collected by a network of border monitors based at selected border points. Borders throughout the region have been surveyed and the most active and important borders have been selected for monitoring. The border monitors record data on a daily basis, and transmit it to a central location every week for collation and analysis. Currently, the informal cross border trade monitoring system includes 29 borders, with new borders being added as necessary. Data from borders surrounding Malawi are collected and managed by FEWS NET and WFP Malawi, while the rest of the borders are managed by the TSC. Address comments/suggestions to the following e-mail addresses: [pmdlada@few.net](mailto:pmdlada@few.net), [simon.dradri@wfp.org](mailto:simon.dradri@wfp.org); [eric.kenefick@wfp.org](mailto:eric.kenefick@wfp.org) or [andrzej.golebiowski@wfp.org](mailto:andrzej.golebiowski@wfp.org)

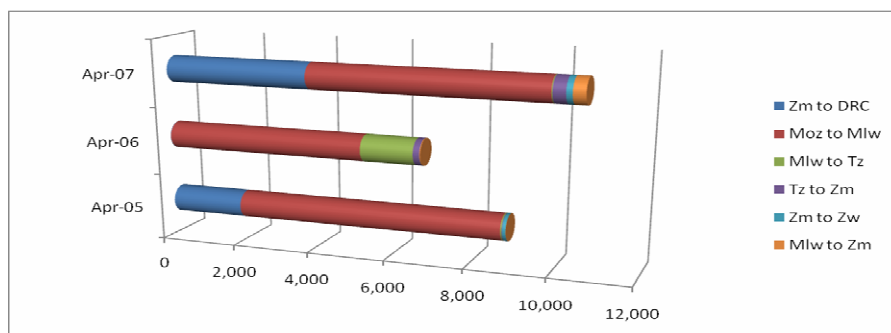
## Summary of maize trade flows

Table 1: Informal Cross Border Maize Exports By Country

Source	Destination	2004/05 Season	2005/06 Season	2006/07 Season	April 2006	April 2007
Tanzania	Zambia	3,699	13,556	6,260	168	313
Zambia	Zimbabwe	13,106	182	299	1	150
Zambia	Malawi	2,157	419	378	0	8
Zambia	Tanzania	93	0	7	0	1
Malawi	Zambia	34	81	202	20	311
Zambia	DRC	8,318	4,682	9,481	7	3,774
Mozambique	Malawi	71,229	71,218	77,394	5,173	6,058
Malawi	Tanzania	637	944	2,928	1351	21
Tanzania	Malawi	2,656	84,862	1,888	0	0
Mozambique	Zimbabwe	2	5	2,085	0	0
Mozambique	Zambia	-	49	1,269	0	61
Malawi	Mozambique	-	133	591	0	21
Zambia	Mozambique	-	55	2	0	0
Zimbabwe	Mozambique	-	85	294	9	12
South Africa	Zimbabwe	-	1,688	49	6	3
<b>Total Traded (MT)</b>		<b>101,929</b>	<b>177,959</b>	<b>103,127</b>	<b>6,735</b>	<b>10,733</b>

Table 1 and figure 3 summarise maize trade flows according to source and destination in April. Higher than normal exports from Malawi to Zambia and from Zambia to DRC are notable departures from the trend established over the past three seasons. The bumper harvest in Malawi led the Government to lift its ban on maize exports in February, making it easier for traders to seek external markets. This could have led to the 311 MT maize export by Malawi to Zambia. FEWS NET Malawi reports indicate that most of this maize is destined for DRC. On the other hand, Zambia's nearly 3,800 MT maize exports to DRC in April represent close to 90% of its total exports to DRC in the 2005/06 season and almost half of its total exports to DRC during the 2004/05 and 2006/07 seasons. Zambia had surplus cereal production seasons during the 2004/05 and 2006/07 but experienced a deficit during the 2005/06 season. Since December 2006, Zambia's informal exports to DRC have generally been on the increase and April's particularly high export could be due to the partial lifting of the maize export ban by the Zambian Government around February, as well as due to good production prospects this season. Over 80% of the maize export by Zambia to DRC in April was in the form of maize meal.

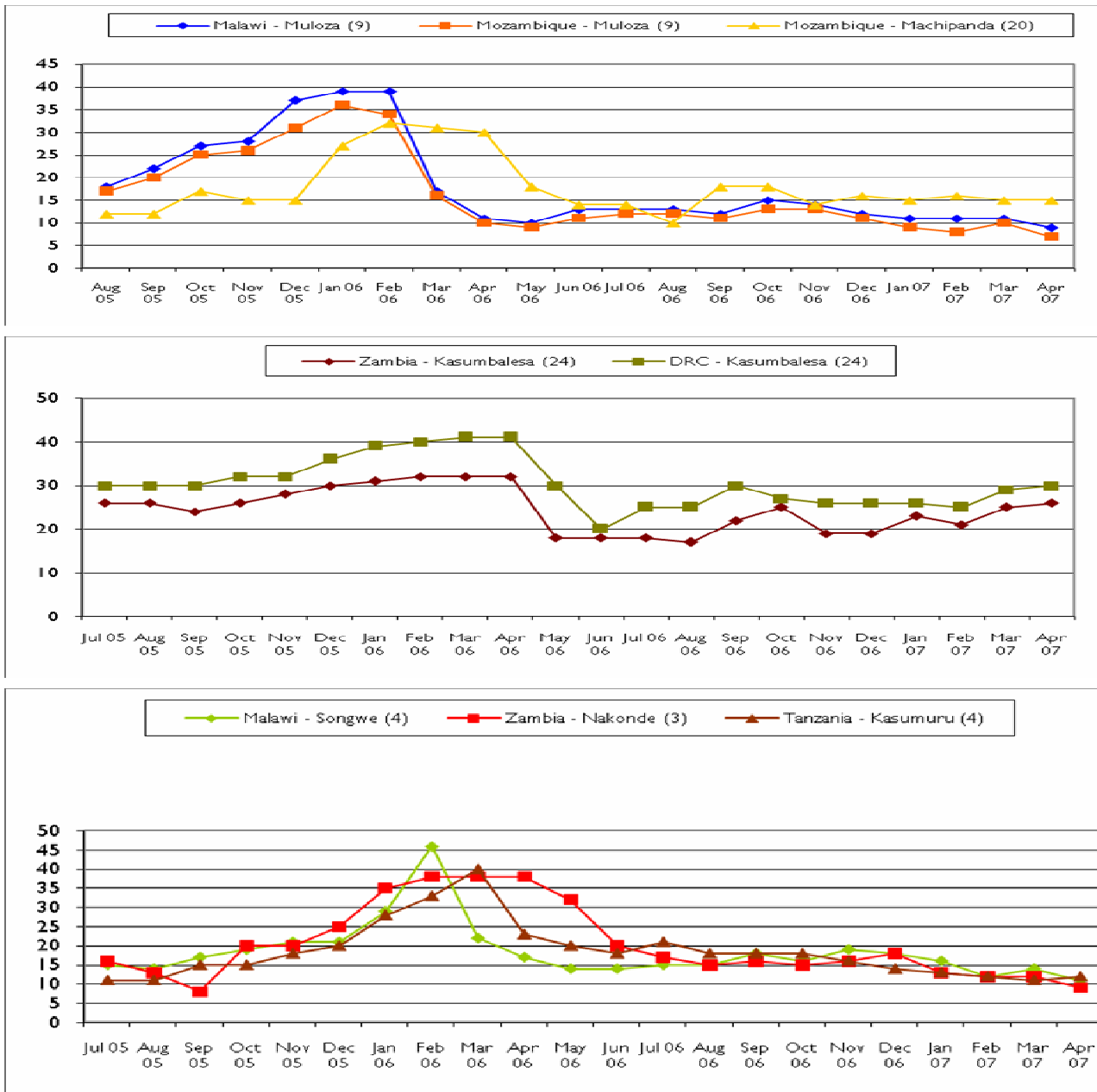
Figure 3: Informal Cross Border Maize Imports By Country



## Maize Price Trends at Selected Border Points

Figures 4a to 4c depict retail price movements across selected border points in the Southern Africa region. At the back of generally good harvest in Malawi, Zambia, northern Mozambique and Southern Tanzania, retail maize prices for the new season have opened at lower levels compared with the same time last season. As compared to April 2006, retail price drops range from 27% at Kasumbalesa (Zambia/DRC border) to 76% at Nakonde (Zambia/Tanzania). Prices have declined from US\$0.41/Kg in April last year to US\$0.30/kg this April at Kasumbalesa and dropped from US\$0.38/kg to US\$0.09/kg at Nakonde. The drop in retail prices is a continuation of the declining trend that was observed throughout the last marketing season. Between March and April, retail maize prices have dropped across the board except at Kasumbalesa. The steepest drop was registered at Milange (Mozambique/Malawi) border, where prices have declined by 30% from US\$0.10/kg in March to US\$0.07/kg in April. Prices have remained stable at Machipanda (Mozambique/Zimbabwe border). Retail prices have marginally (4%) increased at the Zambia/DRC border reflecting increased demand from the DRC. Meanwhile, Zimbabwe has a formal import programme of 400,000 MT with Malawi and may also be importing from Zambia and Mozambique to cover the estimated cereal gap estimated at between 500,000 - 1,000,000 MT. This could exert upward pressures on domestic retail prices in these countries. The effect of the upward pressures on cross border or parity prices will largely depend on the respective domestic markets' capacity to supply or meet the export requirements. Prices along the Malawi/Mozambique borders are likely to be positively affected by the Zimbabwe imports since the two markets are closely integrated.

Figures 4a, 4b and 4c: Retail maize prices in selected border points (US\$ cents per kg)



**Formal exports**

At the end of April, only Zimbabwe and Mozambique had indicated that they were running formal maize import programmes from South Africa. According to the Southern Africa Grain Information Service (SAGIS), in April, Zimbabwe and Mozambique had respectively officially imported 1,171 MT and 1,891 MT of white maize from South Africa. In a separate programme, in March, the Malawi Government announced that it would be exporting 400,000 MT to Zimbabwe. The announcement stated that the exports would be made over a 10 month period at an average outflow of 40,000 MT per month. According to the Malawi National Food Reserve Agency, by the end of April, a total of 952 MT of maize had been delivered to Zimbabwe. Malawi registered a surplus of over 500,000 MT of maize last year and is expecting a surplus close to 1 million MT from the recent growing season. Meanwhile, reports from our border monitors on the Zambia/Zimbabwe and Mozambique/Zimbabwe borders show that during April, Zambia formally exported close to 6,000 MT to Zimbabwe, while Mozambique formally exported close to 7,000 MT of maize to Zimbabwe. While the volume of maize Zimbabwe expects to import from these two countries is unclear, it is expected that, together with Malawi, they will continue to be the main exporters to Zimbabwe.

Table 2. Informal cross border trade in rice (MT)

Source	Destination	2004/05 Season	2005/06 Season	2006/07 Season	April 2006	April 2007
Tanzania	Zambia	547	641	557	28	26
Malawi	Tanzania	450	135	1,217	0	3
Tanzania	Malawi	70	912	4	4	3
Zambia	DRC	12,644	12,629	1,697	13	207
Zambia	Malawi	0	0	0	0	0
Malawi	Zambia	1	31	74	0	90
Zambia	Zimbabwe	50	106	803	12	119
Mozambique	Malawi	2,532	1,691	1,718	48	14
Malawi	Mozambique	1	12	1	0	195
Mozambique	Zimbabwe	58	399	850	26	92
South Africa	Zimbabwe	0	64	82	2	2
<b>Total Traded (MT)</b>		<b>16,355</b>	<b>16,620</b>	<b>7,003</b>	<b>133</b>	<b>751</b>

*“ While there is a sizeable market for Malawian rice in Zambia, it is also likely that some of the rice could be destined for the DRC.”*

### Summary of trade in rice and beans

Tables 3 and 4 present summaries of trade flows in rice and beans. With regards to rice trade, Malawi has made unusually high exports to Mozambique (195 MT) and Zambia (90 MT) in April. The 195 MT export to Mozambique is the single highest export Malawi has made to Mozambique since the monitoring begun. Normally, Malawi imports rice from East Asia through Mozambique. Since the export to Mozambique was made through Mwanza border, which is also the route to Zimbabwe, it is likely that some of the rice was destined for Zimbabwe. Similarly, the export by Malawi to Zambia in April was unusually high. At 90 MT, the export was higher than the total exported by Malawi to Zambia in the 2006/07 season. While there is a sizeable market for Malawian rice in Zambia, it is also likely that some of the rice could be destined for the DRC. Trade in beans has doubled over the year, from 238 MT last April to 476 MT this year. Tanzania was the major exporter of beans last season and seems to have started on the same high pattern in April. However, it is too early to determine the general dynamics of beans trade this marketing season. In general, trade in beans takes place at few borders across the region.

Table 3. Informal cross border trade in beans (MT)

Source	Destination	2004/05 Season	2005/06 Season	2006/07 Season	April 2006	April 2007
Tanzania	Zambia	509	472	588	42	223
Zambia	Tanzania	0	0	2	0	0
Zambia	DRC	12,019	8,231	2422	12	93
Malawi	Mozambique	417	76	269	11	60
Zambia	Zimbabwe	372	16	69	5	6
Mozambique	Malawi	2,997	2,741	2798	29	72
Malawi	Tanzania	2	0	0	0	0
Mozambique	Zimbabwe	67	4	8	0	1
Malawi	Zambia	30	19	268	138	20
Tanzania	Malawi	403	2,459	3646	0	0
South Africa	Zimbabwe	0	325	83	1	1
<b>Total Traded (MT)</b>		<b>16,816</b>	<b>14,343</b>	<b>10,153</b>	<b>238</b>	<b>476</b>

Table 3: Informal Cross Border trade in Maize (MT)

Source	Destination	Jul-Sep-04	Oct-Dec-04	Jan-Mar 05	2004/05 Season	Apr-Jun 05	Jul-Sep 05	Oct-Dec 05	Jan-Mar 06	2005/06 Season	Apr-Jun 06	Jul-Sep 06	Oct-Dec 06	Jan-Mar 07	2006/07 Season
Tanzania	Zambia	796	1,921	982	3,699	397	7,685	4,201	1,273	13,556	318	751	2632	2,559	6,260
Zambia	Zimbabwe	2,662	5,628	4,816	13,106	86	13	21	62	182	3	0	1	295	299
Zambia	Malawi	484	913	760	2,157	34	36	349	-	419	58	249	45	26	378
Zambia	Tanzania	71	20	2	93	-	-	-	-	-	-	0	0	7	7
Malawi	Zambia	0	19	15	34	8	5	51	17	81	64	65	27	46	202
Zambia	DRC	256	3,054	5,008	8,318	2,477	1,641	531	33	4,682	992	956	3189	4,344	9,481
Mozambique	Malawi	33,358	20,433	17,438	71,229	29,064	26,866	8,981	6,307	71,218	27,479	27,069	15726	7,120	77,394
Malawi	Tanzania	315	226	96	637	103	174	358	309	944	2,358	451	55	64	2,928
Tanzania	Malawi	22	239	2,395	2,656	471	1,211	33,601	49,579	84,862	-	0	183	1,705	1,888
Mozambique	Zimbabwe	-	-	2	2	2	3	-	-	5	4	0	6	2,075	2,085
Mozambique	Zambia	-	-	-	-	5	24	20	-	49	5	111	811	342	1,269
Malawi	Mozambique	-	-	-	-	-	-	-	133	133	-	0	17	574	591
Zambia	Mozambique	-	-	-	-	-	-	-	55	55	2	0	0	0	2
Zimbabwe	Mozambique	-	-	-	-	-	-	-	85	85	15	43	147	89	294
South Africa	Zimbabwe	-	-	-	-	486	921	55	226	1,688	17	8	15	9	49
<b>Total Traded (MT)</b>		<b>37,965</b>	<b>32,452</b>	<b>31,512</b>	<b>101,929</b>	<b>33,133</b>	<b>38,579</b>	<b>48,168</b>	<b>58,079</b>	<b>177,959</b>	<b>31,315</b>	<b>29,703</b>	<b>22854</b>	<b>19,255</b>	<b>103,127</b>

Table 4: Informal Cross Border trade in Rice (MT)

Source	Destination	Jul-Sep-04	Oct-Dec-04	Jan-Mar-05	2004/05 Season	Apr-Jun 05	Jul-Sep 05	Oct-Dec 05	Jan-Mar 06	2005/06 Season	Apr-Jun 06	Jul-Oct 06	Oct-Dec 06	Jan-Mar 07	2006/07 Season
Tanzania	Zambia	360	151	36	547	99	184	172	178	641	100	168	165	124	557
Malawi	Tanzania	367	83	0	450	-	61	0	-	135	56	740	106	315	1,217
Tanzania	Malawi	0	0	70	70	3	4	108	797	912	4	0	0	0	4
Zambia	DRC	2786	4157	5701	12,644	6,164	5,661	690	114	12,629	46	231	1125	295	1,697
Zambia	Malawi	0	0	0	0	-	0	0	-	0	-	0	0	0	0
Malawi	Zambia	0	0	1	1	30	1	0	-	31	-	2	12	60	74
Zambia	Zimbabwe	16	16	18	50	15	16	34	41	106	55	141	76	531	803
Mozambique	Malawi	153	1853	526	2,532	1,456	0	152	83	1,691	222	1,155	275	66	1,718
Malawi	Mozambique	1	0	0	1	4	2	0	6	12	-	0	0	1	1
Mozambique	Zimbabwe	0	0	58	58	188	97	45	69	399	99	166	253	332	850
South Africa	Zimbabwe	0	0	0	0	21	19	9	15	64	6	3	67	6	82
<b>Total Traded (MT)</b>		<b>3683</b>	<b>6260</b>	<b>6412</b>	<b>16,355</b>	<b>8,062</b>	<b>6,045</b>	<b>1,210</b>	<b>1,303</b>	<b>16,620</b>	<b>588</b>	<b>2,606</b>	<b>2079</b>	<b>1,730</b>	<b>7,003</b>

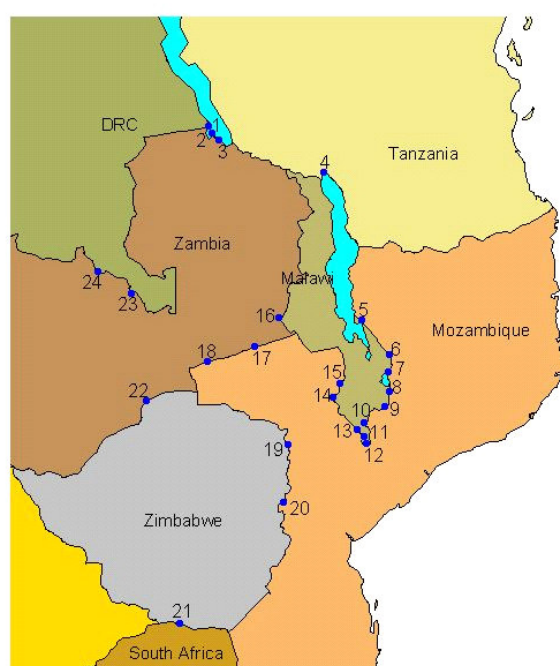
## Annex I (continued)

Table 5: Informal cross border trade in beans (MT)

Source	Desti- nation	Jul- Sep-04	Oct- Dec- 04	Jan- Mar- 05	2004/0 5 Season	Apr- Jun 05	Jul- Sep 05	Oct- Dec 05	Jan- Mar 06	2005/06 Season	Apr- Jun 06	Jul- Sep 06	Oct- Dec 06	Jan- Mar 07	2006/07 Season
Tanz	Zambia	262	179	68	509	99	223	87	63	472	128	154	73	233	588
Zambia	Tanz	0	0	0	0	-	0	0	-	0	-	0	2	0	2
Zambia	DRC	3215	3775	5029	12,019	3,593	3,740	843	55	8,231	390	350	1558	124	2,422
Malawi	Moz	391	1	25	417	14	29	5	28	76	15	2	0	252	269
Zambia	Zim	0	364	8	372	1	6	3	6	16	28	20	8	13	69
Moz	Malawi	1852	571	574	2,997	683	1,530	463	65	2,741	613	1,383	737	65	2,798
Malawi	Tanz	2	0	0	2	-	0	0	-	0	-	0	0	0	0
Moz	Zim	0	1	66	67	1	1	2	-	4	1	2	4	1	8
Malawi	Zambia	3	21	6	30	3	7	6	3	19	151	64	26	27	268
Tan	Malawi	67	246	90	403	18	68	1,134	1,239	2,459	-	54	2227	1,365	3,646
RSA	Zim	0	0	0	0	165	152	4	4	325	3	2	66	12	83
<b>Total Traded (MT)</b>		<b>5792</b>	<b>5158</b>	<b>5866</b>	<b>16,816</b>	<b>4,577</b>	<b>5,756</b>	<b>2,547</b>	<b>1,463</b>	<b>14,343</b>	<b>1329</b>	<b>2,031</b>	<b>3,360</b>	<b>2,092</b>	<b>10,153</b>

*UN World Food Programme Regional Bureau for Southern Africa, Johannesburg RSA and  
FEWSNET Regional Office, Pretoria RSA*

## Cross - Border Monitoring Sites, 2007



## NAME OF BORDER

- |                      |                          |
|----------------------|--------------------------|
| 1. Mulungu / Kigoma  | 13. Marine               |
| 2. Zombe / Kasesya   | 14. Mkumaniza            |
| 3. Nakonde / Tunduma | 15. Mwanza               |
| 4. Songwe / Kasumuru | 16. Mchinji              |
| 5. Kalanje           | 17. Marowela             |
| 6. Nayuchi           | 18. Chadiza              |
| 7. Naminkhakha       | 19. Nyamapanda           |
| 8. Kolowikho         | 20. Machipanda           |
| 9. Muloza            | 21. Messina / Beitbridge |
| 10. Sankhulani       | 22. Chirundu             |
| 11. Tengani          | 23. Mokambo              |
| 12. Marka            | 24. Kasumbalesa          |

For more information  
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