

Trade and Market Bulletin North Darfur



Darfur Development and Reconstruction Agency

Covering the Quarter December 2012 to February 2013 • Vol. 3, No. 1 • www.dra-sudan.org • mzakaria065@gmail.com



Headlines

- The conflict in Jebel Amir area disrupted markets and employment in the area and severely impacted transport on many of North Darfur's main trade routes
- The local authorities in some localities have banned the transportation of cereals — particularly millet — out of their respective locality
- The price differential for cereals between markets in Darfur (Saraf Omra and Malha) remains high although the terms of trade between cereals and goats have generally improved. Millet prices remain high in Malha
- Tombac prices have started to rise in anticipation of resumed trade with South Sudan but also reflect the poor harvest this year
- Groundnut prices have fallen compared with the last season as production increased and there is little trade out of Darfur
- Onion prices have soared, mainly because of multiple impacts associated with the Jebel Amir conflict

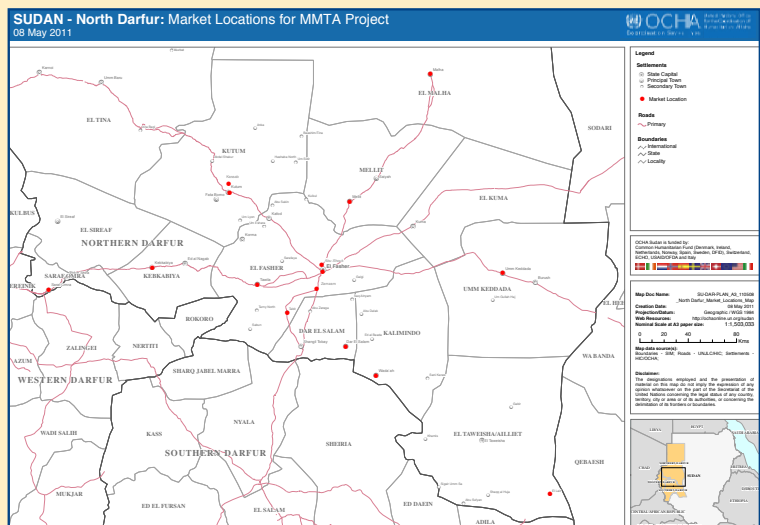
Recommendations

- As recommended in the last bulletin, close monitoring of food security should continue in areas known to be food insecure such as Malha where cereal prices remain high although there has been an improvement in the terms of trade between livestock and cereals
- The ban imposed by some local authorities on the movement of cereals out of their localities should be closely monitored for its impact on trade flows and prices

Participating CBOs and the markets they monitor

EVNRHD	El Fashir, Tabit, Tawilla, and Wadda
KEADS	Kutum and Kassab
KSCS	Kebkabiya and Saraf Omra
URDP	Um Kadada and El Lait
DRA	Abu Shook and ZamZam camps
SAG	Mellit
DWDA	Dar Alsalam
Buzza	Malha

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Cereals

During this quarter (December 2012 to February 2013), millet prices have stabilized or have registered a small fall in some markets and minor increases in others as a result of the last harvest when better yields were recorded than the previous harvest. See Figure 1. Figure 2 shows an overall downwards trend in millet prices in El Fashir and Saraf Omra markets over the last twelve months. The price in Malha market is high but has remained remarkably stable.

The eruption of the Jebel Amir conflict in early January 2013, causing gold prospecting to cease and gold prospectors to flee, resulted in a drop in demand for cereals in Saraf Omra and Kebkabiya markets and falling prices.

The local authorities in some localities, including Dar Alsalam and Wadda, enacted local laws in December 2012 preventing the transportation of cereals, particularly millet, outside the locality. The impact of this action at locality level should be closely monitored to determine its impact on prices and cereal flows.

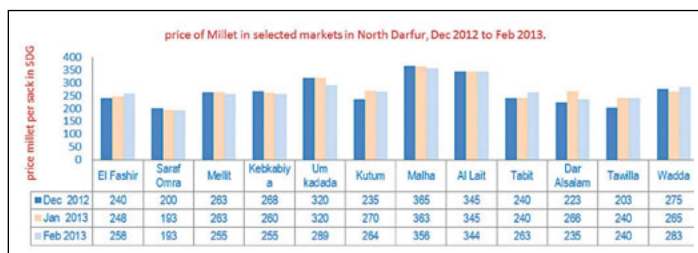


Figure 1: Millet prices in selected markets in North Darfur, December 2012 to February 2013

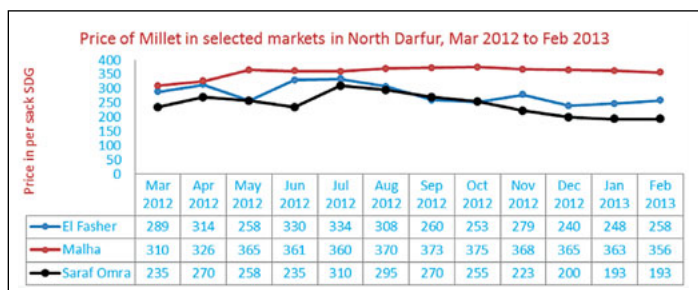


Figure 2: Price of millet in three markets in North Darfur, March 2012 to February 2013

The price differential between Malha where millet prices were highest during the quarter, and Saraf Omra where millet prices were lowest, is 85%, which is greater than the price differential of 73% recorded for the same quarter a year ago. Although millet prices have remained very high in Malha, the terms of trade between a sack of millet and a male goat have improved consistently over the last year as can be seen from Figure 3. Malha borders the Sayah area where millet production was more promising this year; thus, food security conditions in Malha appear to have improved compared with the same quarter a year ago. The terms of trade between goats and millet have generally improved in North Darfur this quarter as livestock prices have risen faster than cereal prices.

The price of food aid sorghum increased in some markets in this quarter, for example El Fashir, Kutum and Tabit. See Figure 4. Possible reasons include the fact that food aid wheat was distributed during the quarter rather than food aid sorghum although demand for the latter is high for animal fodder, especially on dairy farms around the main towns. The price fell in Kebkabiya market during the quarter related to the Jebel Amir conflict. See Figure 5. The timing of food aid distribution in different locations has a significant impact on monthly price trends.

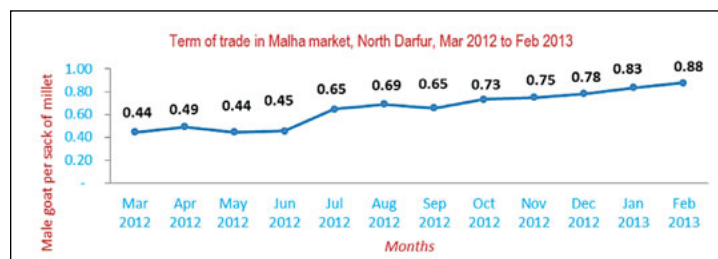


Figure 3: Terms of trade (goats for millet) in Malha market, March 2012 to February 2013

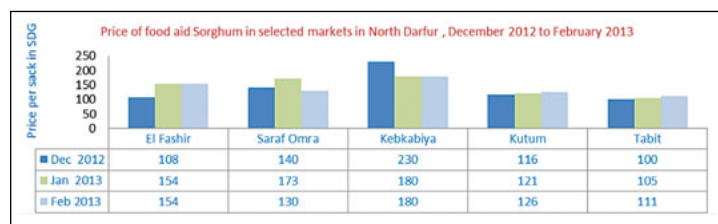


Figure 4: Price of food aid sorghum in selected markets in North Darfur, December 2012 to February 2013

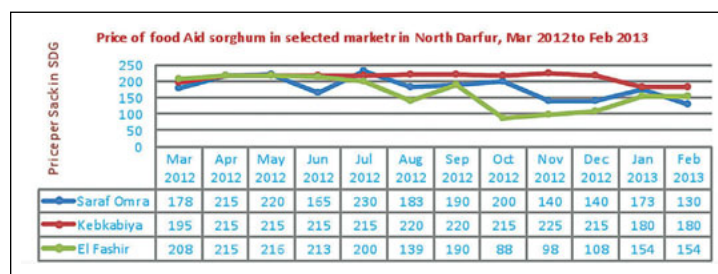


Figure 5: Price of food aid sorghum in three markets in North Darfur, March 2012 to February 2013

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Livestock

Livestock prices have fluctuated during the quarter in most monitored markets. The price of sheep in North Darfur has generally risen over the last year – see Figure 6 – except in Saraf Omra market during the last quarter because of the Jebel Amir conflict which caused demand to fall while supply increased. As would be expected, Um Kadada market registered the highest price of sheep this quarter, reflecting the quality of sheep in the area and the trade in sheep between Um Kadada market and Omdurman through Al Khway in North Kordofan state. Trade in other more insecure sheep producing areas in North Darfur carries a high risk – Kutum, Saraf Omra, Seraif and Dar Zagawa.

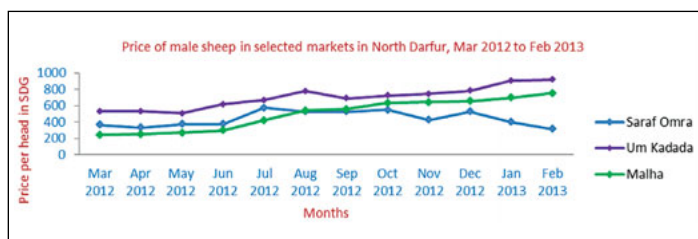


Figure 6: Price of male sheep in selected markets in North Darfur, March 2012 to February 2013

The Jebel Amir conflict triggered increased flows of cattle to Saraf Omra and Kutum markets causing prices to fall; some of the cattle had been looted and some brought to market by their owners because of insecurity. In some other markets the price of cattle stabilized or fell. See Figure 7. The supply of cattle to El Fashir market from Nyala and South Darfur has not recovered, as reported in the last bulletin, due to insecurity along the route.

Camels for export were being sold in Kebkabiya market for the first time since this market monitoring project began two years ago. This is a direct consequence of the Jebel Amir conflict and its impact on Saraf Omra, Darfur's major camel market. Camel traders have temporarily shifted to the greater security of Kebkabiya market.

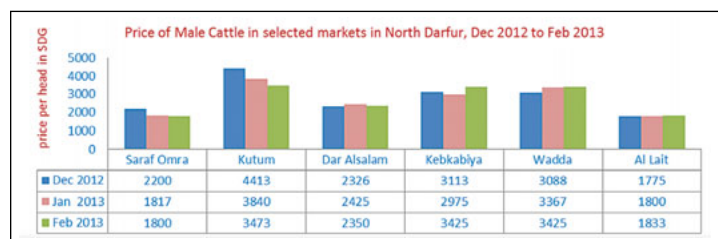


Figure 7: Price of male cattle in selected markets in North Darfur, December 2012 to February 2013

Transportation: Access and Costs

Insecurity associated with Jebel Amir affected all major trade routes in North Darfur this quarter. The route from El Fashir to Kebkabiya through Kutum re-opened in January 2013. There were 12 checkpoints between El Fashir and Kutum compared with 10 in the last quarter and the total checkpoint fees had more than doubled from SDG 100-150 per truck in the last quarter to SDG 200-400 per truck between December 2012 and February 2013. In contrast, there were only 2 checkpoints on the route between Kebkabiya and Saraf Omra, at Birca Saira and Kebkabiya, compared with 10 checkpoints in the last quarter. Those who had been controlling some of these check points appear to have retreated or moved elsewhere following the Jebel Amir conflict. However, transport costs between Saraf Omra/ Kebkabiya (a production area for onions) and El Fashir (a major market for onions) rose from SDG 1500-1800 per truck in the



previous quarter to SDG 2500 to 3000 per truck after the Jebel Amir conflict, an increase of 66%.

Table 1: Transportation costs on some of North Darfur's trade routes

Trade route	Commodity	Jun to Aug 2012 Average cost (SDG)	Sep to Nov 2012 Average cost (SDG)	Dec 2012 to Feb 2013 Average cost (SDG)
From Nyala to El Fashir	Orange by box - 50 dozen	20	30	30
From Kutum to El Fashir	Onions per sack- 90kg	20	25	30
Kebkabiya to El Fashir	Transportation cost per person	100	150	200

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Cash Crops

Availability of cash crops such as tombac, groundnuts, dry okra and dry tomato increased this quarter following normal seasonal trends. However, the price of dry tombac rose. See Figure 8. There appear to be two main reasons: trader expectations of a recovering export trade with South Sudan as a result of the agreement between the respective governments of Sudan and South Sudan, but also depressed production this year as the tombac crop has been attacked for the first time ever in North Darfur by the red spider mite.

Groundnut prices fell this quarter, especially compared with last year. See Figure 9. There are two main reasons. First, production levels are high as a result of the good rains in 2012 and high groundnut prices the previous year which encouraged farmers to cultivate groundnuts. Second, there has been limited trade in groundnuts from Darfur to Central Sudan or for export. Both of these factors have pushed prices down.

Gum arabic was available in Al Lait and Wadda markets where the price has risen compared with last year, and is available on a seasonal basis. See Figure 10.

The price of dry tomato and dry okra has remained high, partly because of insecurity affecting the main supply route from the Jebel Marra area.

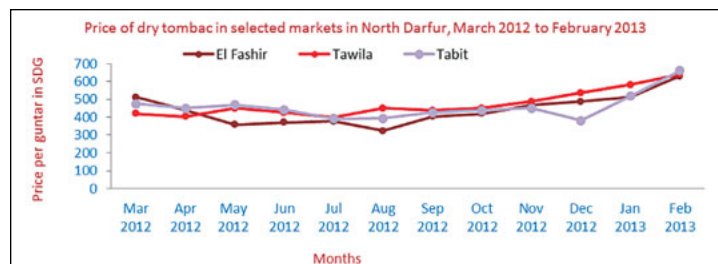


Figure 8: Price of dry Tombac in three markets, North Darfur, March 2012 to February 2013.

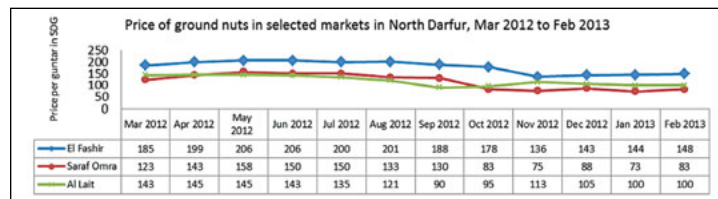


Figure 9: Price of groundnuts in three markets, North Darfur, March 2012 to February 2013



Figure 10: Price of gum arabic in two markets in North Darfur, March 2012 to February 2013.

Natural Resources

Unusually, there was no dry grass for sale in Malha market during the quarter. This appears to be a consequence of a new

programme in the Kenana area introduced by the NGO, COOPI, whereby a revolving fund has been made available to pay people SDG 15 for 20 kg of dry grass as a store for the dry season. No other unusual market activity was noted.

Gold Prospecting and Daily Labouring

Since the outbreak of conflict at the Jebel Amir gold mining site in early January 2013 most gold prospectors have left. Many relocated to Saraf Omra and Kebkabiya localities where there had previously been labour shortages. This increased supply of daily

labourers pushed wage rates down. See Table 2. Meanwhile some other locations such as Wadda registered an increase in daily wage rates due to construction opportunities: the Ministry of Education and local communities are constructing schools in Wadda and in other administrative units in Dar Alsalam locality through communal work arrangements – known as *Nafeer El Taleem*.

Table 2: Daily labouring costs in different locations in North Darfur

	Market	Item	Labour cost in SDG	
			Sept to Nov 2012	Dec 2012 to Feb 2013
1	Saraf Omra	Making red bricks (per 1000)	50	40
		Construction (per day)	30	20
		Daily labour (market activities)	15	10
2	Zamzam	Daily labour (market activities)	7	10
3	Wadda	Daily labor (market activities)	15	20
		Making red bricks (per 1000)	35	50
4	Tawilla	Making red bricks (per 1000)	50	70
5	Mellit	Daily labour (market activities)	10	15

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Fruits and Vegetables

The price of fresh tomatoes fell following normal seasonal trends in almost all monitored markets except Kebkabiya where demand increased and prices rose as those displaced from the Jebel Amir area fled to Kebkabiya on their way out of the area in February 2013. The market impact of this influx could be seen on commodities like tomatoes but not on cereals like millet which takes time to cook and prepare. See Figure 11.

In contrast the price of onions rose sharply during the quarter. See Figure 12. There appear to be a number of reasons, many associated with gold prospecting and the outbreak of conflict in Jebel Amir which is located in the middle of North Darfur's onion production area (in Kutum, Kebkabiya and Seraif). First, there was a labour shortage as gold prospecting drew many

farmers and labourers away from agriculture yet the presence of gold prospectors in the area increased demand. When the conflict erupted farmers from this onion production area fled to Kebkabiya and Saraf Omra and many onion farms were damaged and the infrastructure looted or destroyed. Associated insecurity on the main trade routes between areas of production and the main markets, for example between Seraf Omra/ Kebkabiya and El Fashir, and between Kutum and El Fashir has further disrupted the onion trade. (See the section on transportation above). Meanwhile in the Kutum area (Lumaina and Abu Sekeen) producers switched from onions which take six months to produce to commodities that can be cultivated in a shorter time period, such as potatoes, especially as inflation forces up production costs and possibly as the low price of onions in the previous season was a disincentive to cultivation this season.

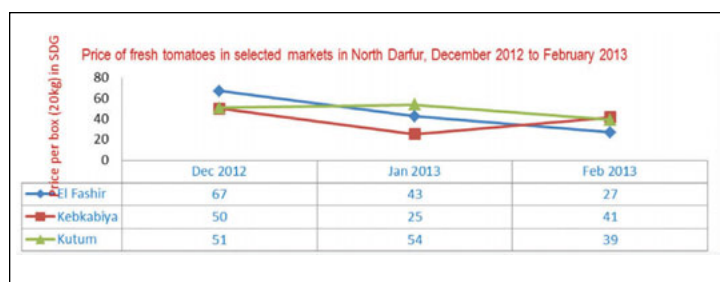


Figure 11: Price of fresh tomatoes in selected markets in North Darfur, December 2012 to February 2013

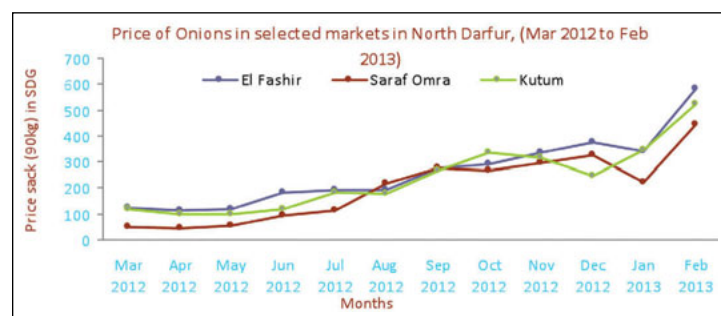


Figure 12: Price of onions in three markets in North Darfur, March 2012 to February 2013

Background and methodology

The goal of this community-based market monitoring initiative is to deepen analysis and understanding of the shifting patterns of trade and markets in Darfur, on an ongoing basis for key agricultural and livestock commodities, to identify how livelihoods and the economy can be supported through trade, and to identify peace-building opportunities through trade. Seven CBOs plus DRA are monitoring 15 markets across North Darfur, including three markets in IDP camps, on a weekly basis. Quantitative data, for example the price of Darfur's main cereals, livestock, cash crops and fruits and vegetables are collected weekly as well as qualitative data, for example on sources of supply. Some data are collected on a monthly basis, for example transport costs, transport routes and the impact of the conflict on flows of commodities. DRA holds quarterly analysis workshops with the CBO enumerators.



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Ministries with which DRA has a technical agreement in North Darfur:

1. Ministry of Finance and Economy and Civil Service
2. Ministry of Agriculture and Irrigation
3. Ministry of Animal Resources and Fisheries

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