

Trade and Market Bulletin North Darfur



Darfur Development and Reconstruction Agency

Covering the Quarter December to February 2012 • Vol. 2, No. 1 • www.dra-sudan.org • mohamedharoun12@yahoo.com



Headlines

- Cereal prices continued to rise this quarter with large price differentials between markets – a 73% differential in millet prices between Saraf Omra where prices are lowest and Malha where prices are highest.
- Food security in Malha is deteriorating further despite subsidized sales of millet from the strategic grain reserve. The terms of trade has worsened: more than 3 goats must now be sold to purchase one sack of millet in Malha.
- Livestock prices have remained high in most markets, which is unusual after a year of poor harvest. The reasons for this deserve further investigation.

- There was a lack of cash crops such as sesame and gum arabic in many monitored markets and groundnut prices are exceptionally high because of the poor harvest due to inadequate rainfall and insecurity in some production areas.
- Fruit and vegetable prices, for example onions and tomatoes, followed normal seasonal trends, falling sharply as the new season's production became available.
- A new gold mining site opened near Kebkabiya town, attracting many informal prospectors and drawing people (especially men) away from traditional farming and pastoralist activities, causing a shortage of casual labour for summer farming.

Recommendations

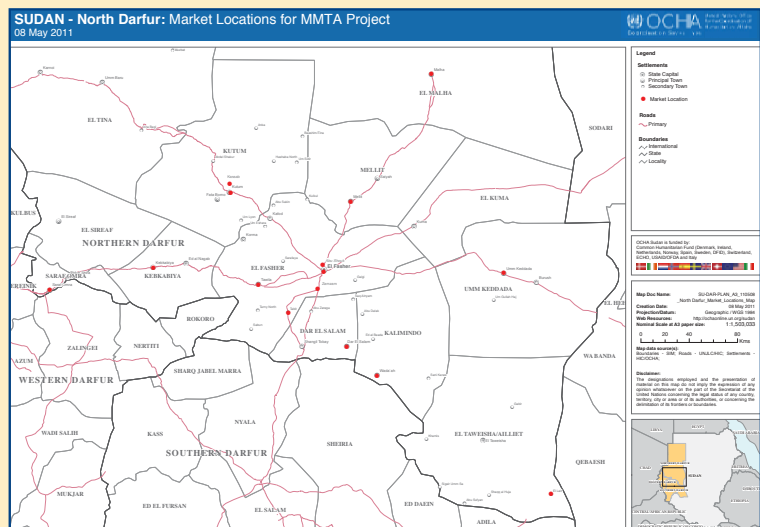
- An emergency food security assessment should be urgently carried out in Malha to establish the severity of food insecurity, the impact of current interventions (eg the subsidized sale of millet and cash for work) and whether additional emergency interventions are required.
- Deteriorating food security means that the efforts of the Strategic Reserve Corporation must be stepped up in order to stabilize rising cereal prices
- Vegetable and fruit prices in North Darfur State show high seasonal fluctuations, particularly tomatoes, indicating opportunities for off-season production and for processing to stabilize prices and ensure the produce is available all year. A feasibility study should be carried out to explore the potential for processing using appropriate technology.
- As informal gold prospecting increases in North Darfur, further investigation is needed to figure out how this activity can positively contribute to household livelihood strategies, the extent to which it may negatively impact on traditional livelihood strategies, and to explore opportunities for peace-building, capitalizing on the co-operation that appears to have developed between ethnic groups engaged in gold prospecting.

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

Cereal prices have continued to rise during this quarter: the average price of millet in El Fashir market increased by 9% compared with the average price during the previous quarter, and by 14% in Malha market. The terms of trade between millet and goats has stabilized in a number of markets although it continued to fall in Malha where cereal prices are highest: households must now sell more than three male goats to obtain one sack of millet in Malha compared with one male goat to secure a sack of millet in El Fashir. See Figure 1. The food security situation in Malha is of growing concern. There has still not been a rapid food security assessment in Malha although this was recommended in the last bulletin. During the last quarter government distributed strategic reserve stocks of millet (approximately 1500 sacks of 90kg – 135 tonnes) at subsidized prices (SDG 200 per sack) through the Teacher's Union and Malha locality authorities, but there does not appear to have been any free food distribution. Many people are engaged in gold prospecting, which appears to be their preferred strategy to participating in a Cash for Work scheme implemented by the NGO, Coopii. However, there may be issues of food availability in Malha, in turn impacting on nutrition. Nutrition surveys have shown a high prevalence of

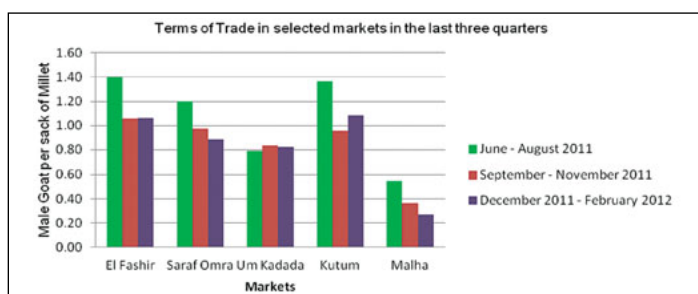


Figure 1: Terms of trade (goats for millet) in selected markets in North Darfur over the last three quarters

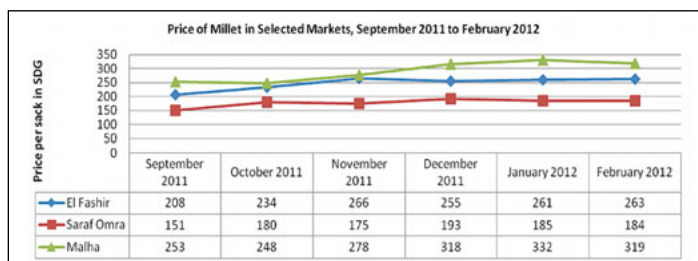


Figure 2: Millet prices in selected markets in North Darfur

malnutrition in the Malha area¹. This should be investigated through an emergency assessment.

Rising cereal prices are caused by a number of factors. First, this is a consequence of the poor harvest in 2011/12. Second, implementation of WFP's food voucher scheme in parts of North Darfur are pushing prices up, especially as this is a year of poor local production. Third, inflation is now running at over 20%. The price differential between markets in North Darfur is striking. See Figure 2. Saraf Omra market recorded the lowest average price of millet during the quarter; the average price of millet was 39% higher in El Fashir market and 73% higher in Malha, indicating poor market integration across North Darfur.

More favourable market conditions in Saraf Omra – lower and more stable cereal prices – are explained by the fact that Saraf Omra had relatively better production this season – estimated to be 50% of the previous year's harvest². Another contributing factor is that sorghum and wheat food aid appear to be moving into Dar Zaghawa (Tina) from Chad, and eventually brought to Saraf Omra market for sale. WFP's food voucher scheme in North Darfur which has boosted demand for cereals seems to be the main reason for this new phenomenon of food aid from Chad appearing in Tina and in Saraf Omra markets. Previously the flow of cereals was the opposite, from Saraf Omra to Dar Zaghawa. In return, onions, fruit, vegetables and cooking oil are being transported from Saraf Omra to Dar Zaghawa. 37 local traders in Kebkabiya have now become WFP contractors for the Food Voucher scheme, which is regarded as a lower risk form of trading.

Local sorghum and sorghum food aid prices increased substantially during the quarter, due to the poor harvest in 2011/12 as well as the impact of WFP's voucher system: sorghum is the main food aid item that must now be provided by local contractors. Figure 3 shows the price of food aid sorghum in a number of markets, including markets in Abu Shook and Zam Zam IDP camps. Abu Shook camp is now part of WFP's food voucher scheme so is receiving no free distribution of cereals. IDPs in Zam Zam camp refused the food voucher scheme and received a food aid distribution in December 2011 during the quarter in question.

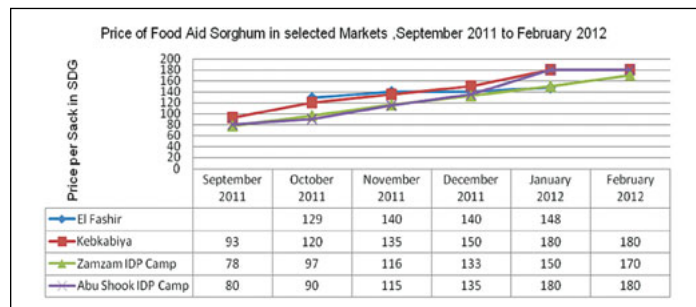


Figure 3: Food aid sorghum prices in selected markets in North Darfur

¹ See 'Darfur Nutrition Update' – summary issue 30, covering October, November and December 2011

² See the 'Agricultural Season Rapid Assessment Report', 2011, carried out by North Darfur State Ministry of Agriculture in collaboration with the Food Security and Livelihoods Cluster

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owners to move their animals to more secure areas and/ or to sell them to avoid looting (although looting has also taken place). As a result Dar Al Salam market has been importing sheep and goats from El Fashir to meet local meat consumption needs although this was considered a key area for livestock production before the conflict.

Livestock

During the quarter livestock prices remained high in most monitored markets within North Darfur and were relatively stable. See Figure 4 for livestock prices in El Fashir market. This simultaneous increase in livestock and cereal prices during the quarter is unusual following a poor harvest in North Darfur, and deviates from patterns that would have been seen before the conflict when livestock prices usually fell as cereal prices rose. This could indicate that purchasing power has not deteriorated further in 2012 and that the food security situation is stabilizing. Or it could indicate a shifting pattern of livestock ownership during the conflict years, from poor to better-off households who do not have to sell livestock to meet rising cereal prices in a bad year. Which of these holds true, or whether there is another explanation, requires further investigation. The exception is Malha where livestock prices have fallen, especially in real terms taking account of inflation, indicating deteriorating purchasing power as cereal prices soar. See Figure 5. Poor pasture may be encouraging some distress selling of livestock; this should be investigated in an emergency assessment. There have been no emergency livestock interventions despite recommendations in the North Darfur 'Rapid Livestock Assessment Report', and in the last DRA market monitoring bulletin.

Recent skirmishes south and south-east of El Fashir, specifically in Alawna, Abu Delaig and Sag Al Na'am, have caused livestock

Livestock prices in Mellit market have slightly increased during the quarter because of increased demand from gold prospectors in the area who are dependent on the market to meet their food needs. Where livestock owners have congregated prices have tended to fall. In Um Keddada market, for example, livestock prices fell in December 2011 due to an increase in supply as Meidob pastoralists migrated into the area from Malha. The same scenario was repeated in Tawilla market where livestock prices (especially for sheep and goats) decreased during the quarter with the arrival of Arab pastoralists into the area with their livestock. Another contributory factor may be the intervention by the local authorities in Tawilla to control meat prices, with a ceiling of SDG 20 for a kilogram of meat, thus also pushing down the price of livestock.

In Saraf Omra, Darfur's main camel market, the price of camels for export fluctuates according to the camel herders' and camel traders' movements. When they are present in the market the price goes up and when they are not around the price falls. The export of camels to Libya, which had been disrupted for many months by the Libyan crisis, has resumed, either through Chad or directly across the desert to Libya. Camels are also being exported to Egypt through Dongola. However, the Libyan trade is preferred by exporters because of the informal nature of the trade, dealing in cash rather than controlled foreign exchange and with fewer taxes.

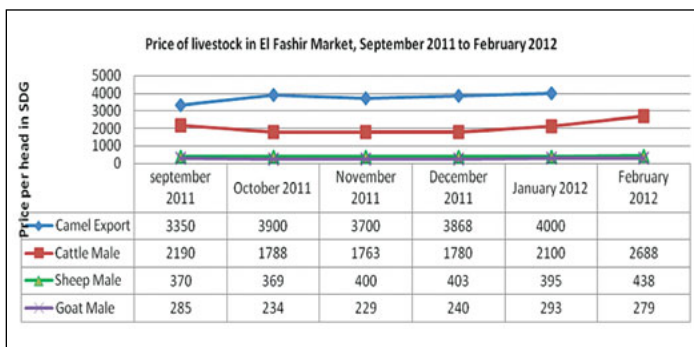


Figure 4: Livestock prices in El Fasher market, September 2011 to February 2012

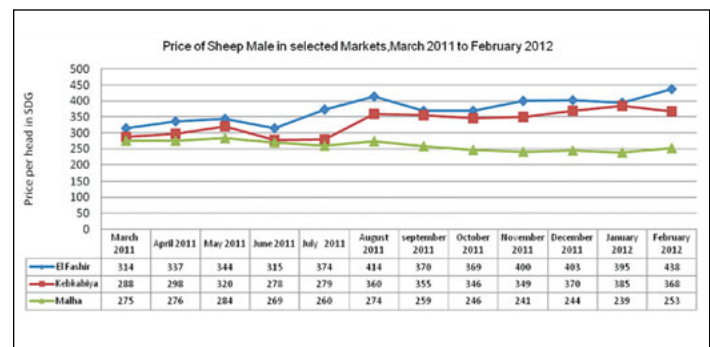


Figure 5: Sheep prices in selected markets in North Darfur, March 2011 to February 2012



Cash Crops

During this quarter many of the markets monitored in North Darfur had little or no availability of certain cash crops. For example sesame was not available in El Fashir, El Lait, Um Kadada or Saraf Omra markets, and gum arabic was not available in El Fashir, Um Kadada or Dar Al Salam markets. Only a very few markets in the main production areas reported any availability: Dar Al Salam and Wada'a had sesame, and gum arabic was available in El Lait and Wada'a. Groundnuts were available but in small quantities and prices are exceptionally high. See Figure 6 which shows how the price has soared in El

Fashir, a major area of consumption. The price rises are due to the poor rainy season and insecurity in some areas of production. The price of groundnut oil, the main source of cooking oil in Darfur, has also increased. In response to rising prices, federal government has allowed the import of cooking oil from outside Sudan which appears to have had some impact in reducing prices. A jerry can of cooking oil in El Fashir market fell by 16% from SDG 215 in January 2012 to SDG 185 in February 2012.

Tombac prices in North Darfur have remained stable during this quarter despite the poor rainfall and poor wadi flows depressing production.

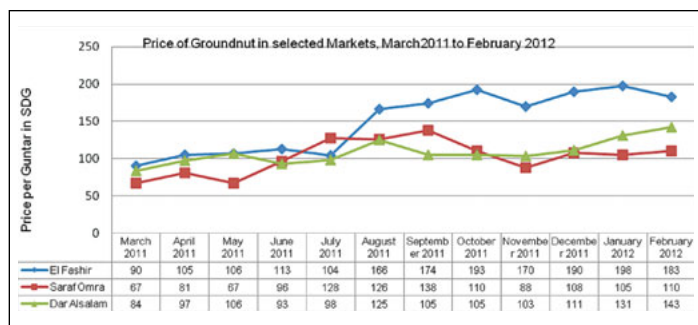


Figure 6: Groundnut prices in selected markets in North Darfur

Transportation: Access and Costs

During this quarter there have been few significant changes in the flow of trade and access since the last quarter. Access between El Fashir and Nyala remains the same. Since the removal of many checkpoints in North Darfur, those still remaining along the main roads now operate mainly as security check points which means that informal fees only occasionally have to be paid. However, the threat of banditry remains and continues to hamper trade along some roads within the State.

All routes that lead to El Fashir directly from Kebkabiya were closed this quarter due to insecurity, which indicates a deterioration

in access. The only route that connects Kebkabiya with El-Fashir is currently the one that goes through Kutum. Accordingly transportation costs also increased, from SDG 15 per sack of onions between June and August 2011, to SDG 20 per sack between September and November 2011, and SDG 25 per sack between December 2011 and February 2012. The trading route between Tina, Saraf Omra and Kebkabiya was reported to be particularly active, especially for traders moving food aid sorghum and wheat from refugee camps in Eastern Chad to Saraf Omra and Kebkabiya in order to supply WFP's voucher system. In return, onions and cooking oil are delivered to Tina.

Prospecting for gold in North Darfur, and other income-generating opportunities

During this quarter a new gold mining site was discovered at Nono, about 40 km from Kebkabiya town in the south-western part of Kebkabiya locality. Its proximity to Kebkabiya town – it is possible to travel and return in a day – means that many of Kebkabiya's inhabitants (mostly men) have engaged in gold prospecting. This is causing a shortage of casual labour to work on farms in the area during the summer season and to herd livestock, with the burden for these traditional activities mainly falling on women and children. Daily wage rates for domestic work have risen from SDG 7 in the previous quarter to SDG 12 in the quarter December 2011 to February 2012, and have almost doubled for brick-making from SDG 13 for producing 1000 bricks to SDG 26.

A wild plant that grows in North Darfur, *sinamika* (latin name *cassia senna*) has been recently discovered as a source of income as it is used for medical purposes. It is being collected and sold by local people to agents of companies operating in North Darfur. It currently sells for SDG 70 per guntar and is potentially a valuable additional source of income for vulnerable groups living in rural areas. The market potential of *sinamika* will be closely monitored by the project to ascertain its economic feasibility and who is benefiting.



Fruits and Vegetables

Fruit and vegetable prices followed normal seasonal trends during this quarter, generally decreasing as the new season production became available. For example, the price of onions fell sharply in January and February 2012 in most of the markets monitored – see Figure 7. The exception was Malha market which is supplied from Hamrat Alshaykh and Omdurman rather than from areas of production in North Darfur because of its remote geographical location, again indicating a lack of market integration. While a sack of onions cost SDG 58 in February 2012 in Saraf Omra, an area of production, it cost SDG 224 in Malha market, a difference of over 280%. Tomato prices also decreased sharply in most of the markets monitored as the new production became available. For example, the average price of tomatoes per box in El Fashir during this quarter decreased by 133% from the average price in the last quarter (September, October and November 2011).

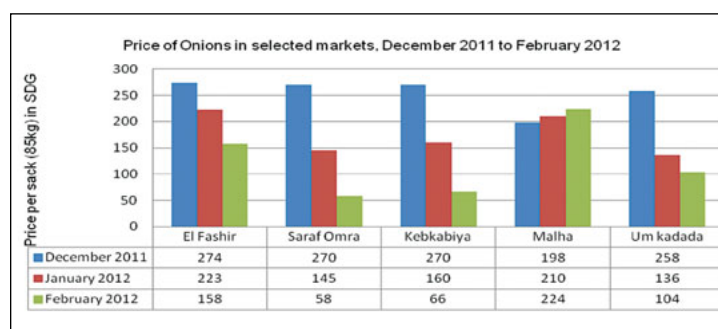


Figure 7: The price of onions in selected markets in North Darfur

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