

# Trade and Market Bulletin North Darfur



## Darfur Development and Reconstruction Agency

Covering the Quarter March to May 2012 • Vol. 2, No. 2 • [www.dra-sudan.org](http://www.dra-sudan.org) • [mohamedharoun12@yahoo.com](mailto:mohamedharoun12@yahoo.com)

### Headlines

- The upwards trend in cereal prices across North Darfur continued during this quarter, fuelled by inflation, the announcement of the removal of the fuel subsidy and seasonality of supply.
- There has been some improvement in food security indicators in Malha, reflected in improved terms of trade between goats and cereals. This is partially attributable to the distribution of food aid by WFP and distribution of the strategic grain reserve stock by government.
- The price of livestock has continued on an upwards trend in most markets in North Darfur.
- The poor agricultural season and insecurity in the main cash crop production areas of North Darfur have caused prices to remain high in most monitored markets. There is poor availability of cash crops such as groundnuts and gum arabic in markets that would normally be well supplied.
- In contrast, the price of tombac has steadily declined as conflict and trade restrictions in the traditional tombac-consuming markets of South Sudan, Blue Nile and South Kordofan states have negatively impacted the tombac economy in North Darfur.
- High seasonal variation in the price of fresh fruit and vegetables continues to be recorded in North Darfur
- Gold prospecting in more than seven sites in North Darfur has supported the livelihoods of some and triggered micro-economies
- A number of major trade routes within North Darfur and connecting North Darfur with Khartoum and with South Darfur closed for periods during the quarter affecting trade flows and causing some commodity prices to rise.

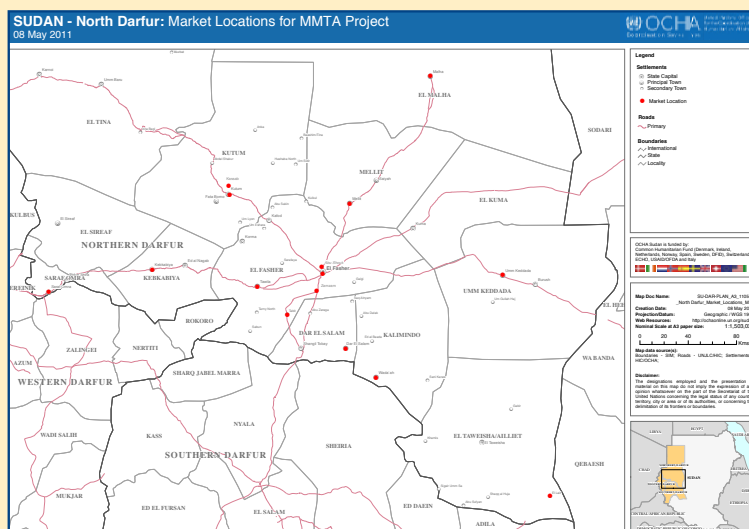
### Recommendations

- The food security situation in parts of North Darfur remains precarious and must be monitored closely in case further interventions are required, for example in the Malha and Mellit areas.
- As some localities restrict the movement of cereals across locality boundaries, the impact on trade and markets should be closely monitored.
- An in-depth assessment is recommended of how the livelihoods of cash crop farmers may have been affected by production failure in 2011/12, to explore if and how they could be supported.
- As recommended in the last bulletin, further investigation and analysis should be carried out of the impact of informal gold prospecting in Darfur, to explore how it can positively contribute to livelihood strategies and to building relationships between different groups, and to understand its potential disadvantages on food security and livelihood strategies.
- As recommended in the last bulletin, a feasibility study for off-season production and processing of fruit and vegetables in North Darfur, especially tomatoes, should be carried out. Such a feasibility study should include the potential impact of increased fuel prices on off-season production and processing.

### 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 in most monitored markets in North Darfur. See Figure 1. This is due to various factors including: the accelerating rate of inflation which reached 30.4% p.a. by May 2012<sup>1</sup>; the removal of the fuel subsidy, announced in May 2012 and implemented in June 2012; and seasonality in the months before the next agricultural production season begins. For example, the average millet price in El Fashir market, an area of high consumption, increased by 19% during the quarter compared with the previous quarter. The average price increased by 36% in Saraf Omra market, an important area of production, compared with the last quarter. However, unusually the price of millet fell in Saraf Omra between April and May 2012. This appears to be at least partially a consequence of the trade embargo between Sudan and South Sudan which has reduced the trade in cereals from Darfur to South Sudan. Mellit recorded the highest price of millet in April, which appears to be due to increased demand for cereals in the market from gold prospectors; the price fell in May when there was a WFP free food aid distribution.

Previous bulletins have drawn attention to indicators of deteriorating food security in Malha and have recommended an emergency assessment. During the latest quarter, from March to May 2012, there appears to have been some improvement in these food security indicators. The terms of trade between goats and millet improved during the quarter so that 3 goats no longer had to be sold to purchase one sack of millet (although the terms

of trade are still substantially worse than in El Fashir or Seraf Omra). See Figure 2. The average millet price in Malha for the quarter has increased by only 2% compared with the previous quarter. The main reason for these improvements appears to be the distribution of free food aid by WFP and by government from the strategic reserve stock during the quarter. The presence of gold prospectors in the area also seems to have had some impact in pushing up the price of goats.

The price differential between markets in North Darfur remains high, 55% between Saraf Omra as an area of production and Mellit as an area of food deficit. However, it should be noted that the price differential between Saraf Omra and Malha has dropped from an average of 73% in the previous quarter to 30% in the latest quarter, a further indication of some improvement in food security indicators in Malha. The authorities of some localities have imposed restrictions on the movement of cereals out of their locality to protect market stocks, for example Saraf Omra and Kebkabiya localities. This may cause market distortions and deserves follow-up monitoring.

Somewhat surprisingly, in some monitored markets such as Mellit and Um Kadada there was no food aid sorghum available in sacks during the quarter, despite food aid distribution in some places, including Malha, Mellit, Kutum and Zamzam IDP camp during this quarter.

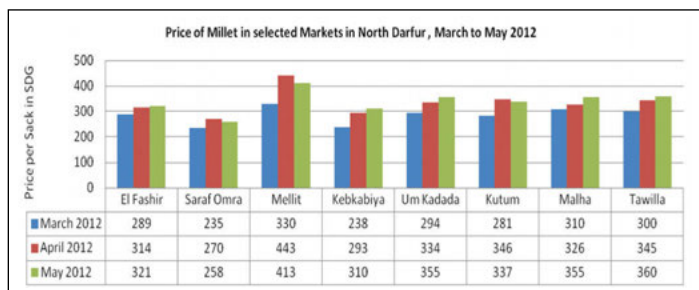


Figure 1 Millet prices in selected markets in North Darfur, March to May 2012

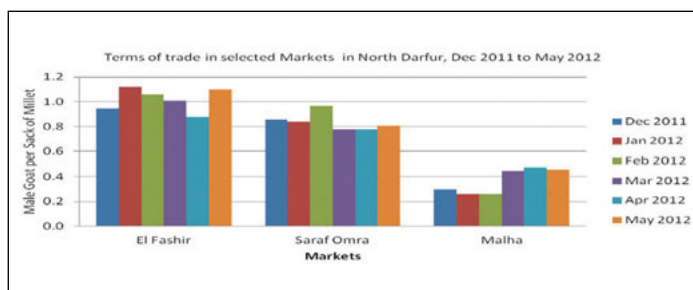


Figure 2 Terms of trade (goats for millet) in selected markets in North Darfur, December 2011 to May 2012

<sup>1</sup> Source: Central Bureau of Statistics

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## Livestock

Livestock prices have risen in most markets, generally remaining high during this quarter. Um Kadada market recorded the highest price for sheep, reflecting the superior quality of sheep (the *hamari* breed) in this area, many of which may be exported out of Darfur and Sudan. See Figure 3. The small drop in sheep prices in Um Kadada market during the quarter is most likely due to increased supply as Meidob pastoralists migrate into the area during the dry season. Malha market recorded the lowest price of sheep. Unusually for this time of year the price of sheep in Tawilla

market fell during the quarter as well as the price of cattle. This is due to poor purchasing power among the local community as the price of tombac, the major cash crop in the area, has fallen – see the section below on cash crops.

The price of cattle in El Fashir market has increased steadily since November 2011. The average price in this quarter is 33% higher than the average price in the previous quarter, mainly due to inflation although insecurity periodically disrupts the supply of cattle to the market. See Figure 4. (As explained in Bulletin 3, volume 1, the hike in cattle prices around August 2011 was due to the temporary South Darfur ban on trading cattle with North Darfur).

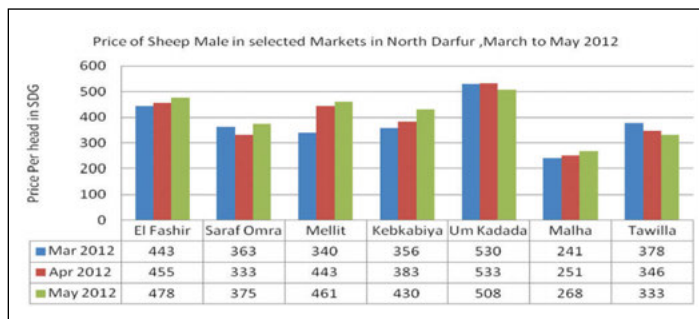


Figure 3 Sheep prices in selected markets in North Darfur, March to May 2012

Camel exports to Libya have continued to recover. Camel traders prefer exporting to Libya than Egypt because of the informality of the Libyan trade compared with the more regulated Egyptian trade. The price of camels for export increased during the quarter. See Figure 5 which shows a significant increase in price in Saraf Omra market over the last twelve months.

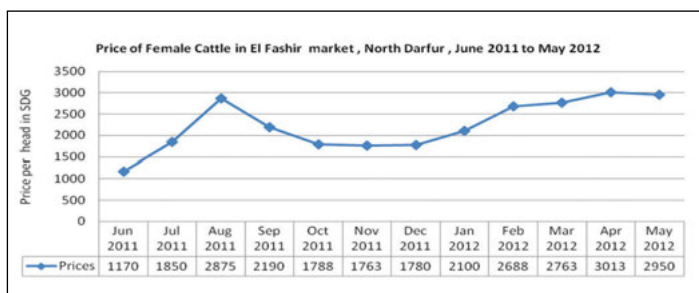


Figure 4 Cattle prices in El Fashir market, June 2011 to May 2012

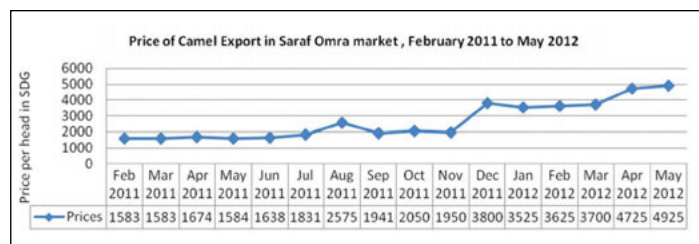


Figure 5 The price of camels for export in Saraf Omra market, February 2011 to May 2012





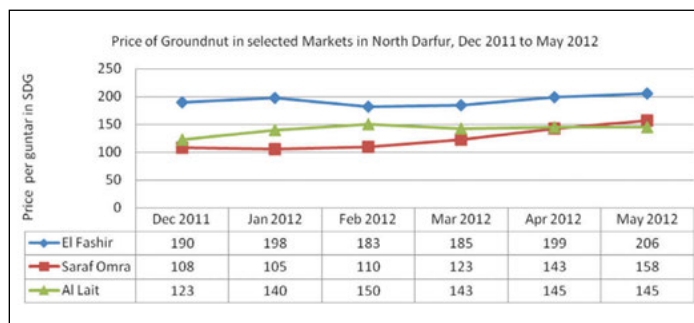
## Cash Crops

Cash crops such as groundnuts, sesame and gum arabic are critical to North Darfur's economy. However, all of these cash crops have been affected by the poor agricultural season and by insecurity in the main production areas in North Darfur in 2011/2012. Unusually, in a number of monitored markets only small quantities of cash crops were available, and sometimes none at all. In Dar Alsalaam, Allait and Wada'a, for example, groundnuts were available in very small quantities despite these being major areas of production. No gum arabic was available in Dar ALSalaam, El Fashir and Um Kadada markets. As a result, the price of cash crops has remained high in all the monitored markets in North Darfur during this quarter. See Figure 6.

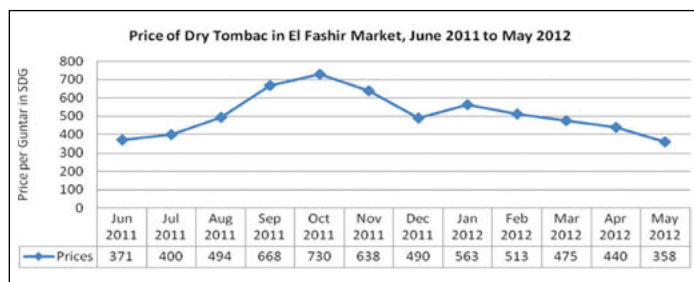
The price of tombac (chewing tobacco) is the exception to this upwards trend in cash crop prices in North Darfur. Tombac is one of North Darfur's major cash crops. The traditional markets for tombac include South Sudan, Blue Nile and South Kordofan states. Trade with the latter two states has been negatively affected by conflict and insecurity. Trade with South Sudan has been halted by the trade embargo. As a result, tombac prices have fallen sharply in North Darfur, negatively affecting the livelihoods of many, not just tombac farmers, but also the

labourers who work on tombac farms (many of whom are women), traders and brokers involved in the tombac economy. Figure 7 shows the price of tombac in El Fashir market over the last twelve months.

The price of other cash crops such as dry okra and dry tomato have followed normal seasonal trends of rising prices.



*Figure 6 Groundnut prices in selected markets in North Darfur, December 2011 to May 2012*



*Figure 7 Tombac prices in El Fashir market, June 2011 to May 2012*

## Income Generating Activities

More than seven gold prospecting sites are currently active across seven localities in North Darfur state, engaging an estimated 25,000 people. Not only is this an income generating opportunity for the gold prospectors, but it has also generated micro-economies around the gold prospecting sites, for example through petty trading, selling water and food. While gold prospecting has played a positive role in supporting the

livelihoods of some, and in fostering cooperation and good relations between different groups that are otherwise hostile to each other, it has also created labour shortages for farming in some areas, for example in the Kebkabiya area as reported in the last bulletin. However, gold prospecting in some sites appears to be waning as it has become harder to find gold, for example in Hashaba and Abdulshakor in Kutum locality.

## Transportation: Access and Costs

There have been a number of significant road closures during this quarter affecting trade flows. The major trading route linking Darfur with Khartoum was closed for two weeks in El Nuhood in Kordofan due to the conflict in Heglig, causing the price of a number of commodities to soar. For example, the price of sugar in El Fashir rose over a ten-day period in April from SDG225 to SDG 350. The El Fashir/ Nyala road was closed for two weeks in April and for the whole month of May, pushing up the price of commodities such as oranges. When it has been open, trucks must be escorted by government troops incurring additional costs

and travel time. Within North Darfur the trade route connecting Kebkabiya (an area of agricultural production) with El Fashir (a major area of consumption) through Kawra has been closed since 2005. The alternative route to El Fashir via Edd Alnabik also closed during this quarter due to insecurity. A new longer route was opened in response, through Kutum and Kafout to El Fashir. This inevitably increased transport costs: the cost of transporting a sack of onions from Kebkabiya to El Fashir rose from SDG 25 per sack in the last quarter to SDG 35 per sack this quarter.

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## Fruits and Vegetables

The price of fruit and vegetables show very high seasonal price variations for fresh produce, particularly for tomatoes and onions. Figure 8 shows the seasonal variation in tomato prices in three markets over a six-month period, from December 2011 to May 2012: in El Fashir market the price of a 20kg box of tomatoes rose by 193% between February 2012 (the production season) and May 2012 (the off-season). The price of onions has been more stable in all monitored markets during the quarter, which coincides with the production season but can be expected to rise in the coming months.

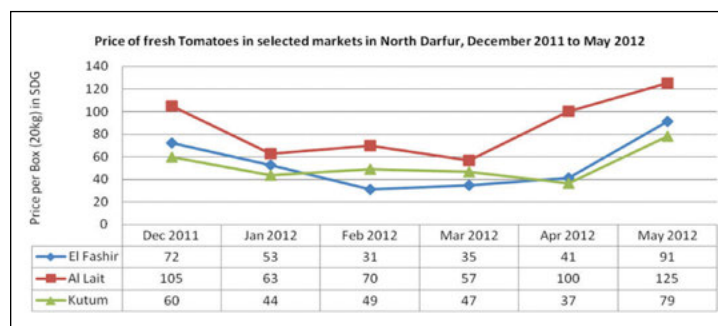


Figure 8 The price of tomatoes in selected markets in North Darfur, December 2011 to May 2012

## 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.



Gerald J. and Dorothy R.  
Friedman School of  
Nutrition Science and Policy

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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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