Trade and Market Bulletin
North Darfur

Darfur Development and Reconstruction Agency

Covering the Quarter September to November 2011 • Vol. 1, No. 4 • www.dra-sudan.org • mohamedharoun12@yahoo.com

Highlights

- Cereal prices have continued to rise during this quarter, in anticipation of a poor harvest. The introduction of WFP's food voucher scheme appears to have exacerbated the price rise in a number of markets in North Darfur, including El Fasher, Seraf Omra and Kebkabiya, although this deserves further investigation.
- Seriously deteriorating food security in Malha is evident from the high millet prices and deteriorating terms of trade between cereals and livestock
- The cattle trade between South and North Darfur has resumed since the export of meat from South Darfur has been temporarily suspended. There may be distress sales of livestock in parts of North Darfur during 2012 due to poor pasture
- Although fruit and vegetable prices are following normal seasonal trends, prices overall are substantially higher in 2011 compared with 2010
- There is some improvement in the flow of trade across North Darfur as the number of checkpoints has substantially reduced, but banditry continues to be a major threat
- Opportunistic gold prospecting is continuing in Kutum and Umm Keddada localities, drawing individuals from a wide range of ethnic backgrounds and geographical areas. A high level of cooperation is noted between gold prospectors.

Recommendations

- The food security and livelihoods cluster should mobilise a rapid assessment focused on Malha to determine the severity of food insecurity and to identify (emergency) interventions if needed
- Rapidly rising cereal prices in North Darfur is an issue for the Strategic Reserve Corporation to consider in terms of action to stabilise prices
- Emergency livestock interventions should be considered, (as recommended in the North Darfur 'Rapid Livestock Assessment Report'), for example the provision of fodder and water to reduce distress sales, and controlled destocking[1].
- Ways of building on the good relations that currently exist between gold prospectors of different ethnic groups should be explored as this could ultimately have wider peace-building benefits. This might include the provision of services and improved security to gold prospectors in Kutum and Umm Keddada localities. This is an issue that deserves further investigation

[1] The Livestock Emergency Guidelines and Standards could be a useful reference. See http://www.livestock-emergency.net/

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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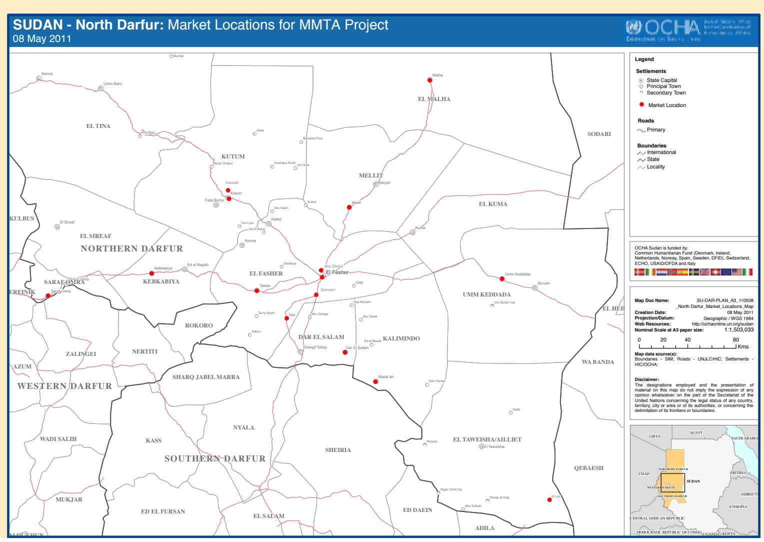

Cereals

The upwards trend in cereal prices, noted in the last quarter, has continued. See Figure 1. In El Fasher, for example, millet prices have increased by 27% during the quarter, and locally produced sorghum by 8%. The main reason for rapidly rising prices is the very poor harvest that is anticipated in North Darfur in 2011/2012[2]. However, the introduction of the food voucher system by WFP (whereby beneficiaries receive vouchers that they can redeem for selected food items in local shops) is widely believed to be pushing cereal prices up in a number of markets in North Darfur, in particular in Seraf Omra, Kebkabiya and El Fasher where the food voucher system is being piloted. This deserves further investigation.

Malha recorded the highest cereal price in this quarter – SDG 319 for a sack of millet in November 2011. Over three months, from September to November, the price rose substantially, by 26%. No locally produced sorghum was available on the market and food aid sorghum was only being sold by *kora*[3], not by sack. The Malha area is particularly vulnerable to drought which affects pasture as well as crop production, and is chronically food insecure. The rapidly deteriorating terms of trade between cereals and livestock in Malha is concerning. See Figure 2. Not only did Malha market record the highest cereal price in North Darfur in this quarter, it also recorded the lowest price for goats. The terms of trade between goats and millet had fallen to 0.3 in November 2011. This is significantly worse than the terms of trade of 0.4 recorded in November 2000, also after a poor rainy season although before the conflict[4]. WFP food aid rations in Malha were cut by 40% in July and so far there is little evidence that recovery projects have adequately replaced free food aid distribution. The food security situation in Malha must be closely monitored as emergency interventions may be required.

Although the Umm Keddada area had relatively better rains in 2011, and some parts can therefore expect a better harvest than many other areas in North Darfur, cereal prices are still high. See Figure 1. Grain flows from this area to Kordofan, it is hosting an inflated population due to gold prospecting in the area, and movement of livestock and people from more northern parts of North Darfur can be expected. The Kutum area was also hosting an inflated population of gold prospectors during this quarter and there were reports of livestock grazing crops in September, both of which have exacerbated already high cereal prices.

Figure 2 shows deteriorating terms of trade between cereals and goats across North Darfur – a clear indicator of deteriorating food security.

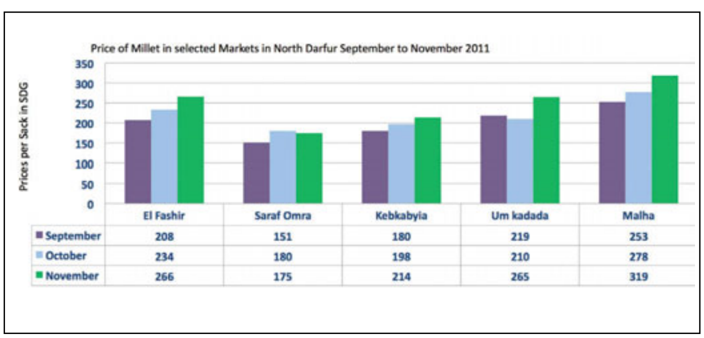

Figure 1: Millet prices in North Darfur, September to November 2011

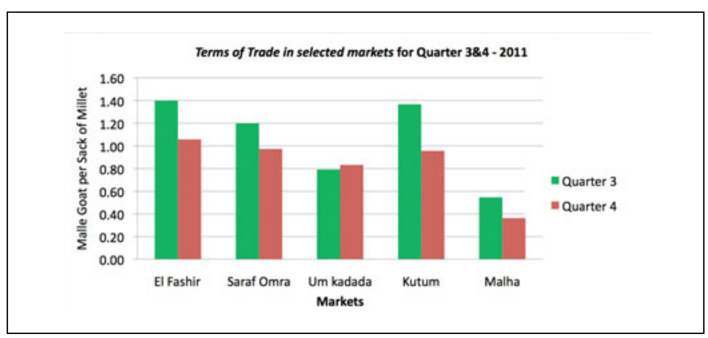

Figure 2: Terms of trade (goats for millet) in selected markets in North Darfur, June to August (Quarter 3) and September to November (Quarter 4)

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

3 1 kora = 1.7kg in North Darfur

4 Data from Save the Children (UK)'s Darfur Food Security Information System

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Livestock

As expected, sheep prices rose during the quarter because of high demand for the celebration of Eid Eladdha, with the exception of Malha and Seraf Omra where sheep prices respectively fell during the quarter. See Figure 3.

As meat exports from Nyala were suspended due to technical problems in the abattoir (see bulletin 3), the cattle trade between Nyala and North Darfur resumed and cattle prices in El Fasher market fell. See Figure 4. This recent experience is an indicator of North Darfur's dependence on the cattle trade from South Darfur, a phenomenon associated with the conflict years as the cattle population in North Darfur appears to have fallen substantially, although the trend of declining numbers of cattle in North Darfur pre-dates the conflict.

The poor rainy season in 2011 has badly affected the availability of pasture in North Darfur as well as crop production. (See the 'Rapid Livestock Assessment Report' carried out by the Livestock Working Group in North Darfur, in collaboration with FAO and the State Ministry of Animal Resources and Fisheries). As a result, livestock movements from the north of North Darfur are anticipated further south than usual, for example from the Malha area to Umm Keddada; this could result in increased competition for resources, in particular pasture and water. There could also be distress selling of livestock; this must be carefully monitored as an indicator of acute food insecurity amongst pastoralists and agro-pastoralists. Emergency livestock interventions, for example the provision of water and fodder, and assisted de-stocking, would help to reduce distress livestock sales.

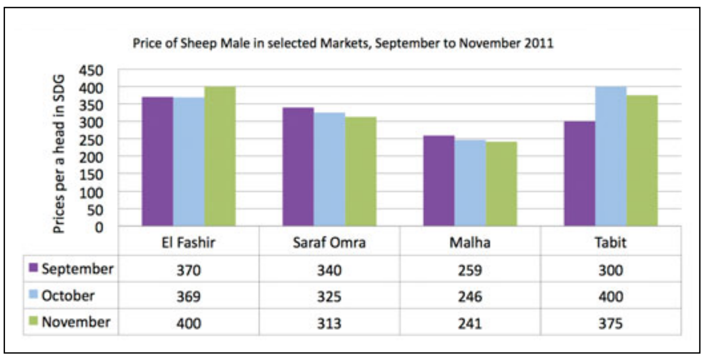

Figure 3: Sheep prices in selected markets in North Darfur, September to November 2011

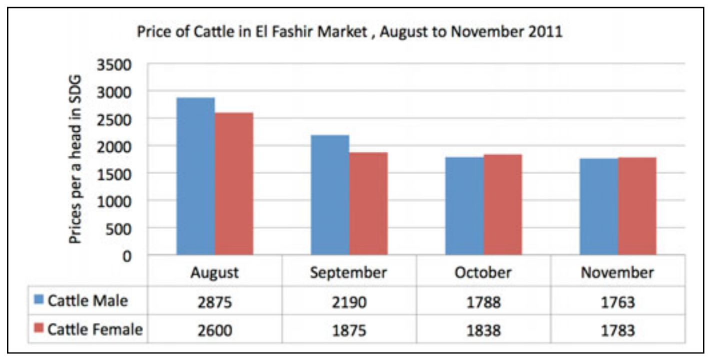

Figure 4: Cattle prices in El Fasher market

Transportation: access and costs

The flow of trade has improved across North Darfur as various checkpoints have been removed, although the threat of banditry remains and continues to hamper the movement of vehicles and commodities. Access between El Fasher and Nyala remains the same as the last quarter, with convoys of trucks escorted three days per week on the route passing through Tabit to avoid more insecure areas. In the last quarter (June to August 2011) it was reported that the road between Kebkabiya and El Fasher, passing through Eid Elnabag, Totani, Aish bara and Korma, is open to small vehicles; this route opens and closes periodically according to security and incidents of banditry. The most direct route between Kebkabiya and El Fasher, through Kawra, remains closed so that other longer routes have to be used, incurring higher transportation costs.

Table 1 shows how transport costs have changed on some of North Darfur's main trading routes during 2011. While transport costs have increased between Seraf Omra and Kebkabiya and El Fasher, they have fallen between Kutum and El Fasher, possibly due to the removal of some checkpoints.

Product	Area of production	Transportation cost to El Fasher (Feb to April 2011)	Transportation cost to El Fasher (Sept to Nov 2011)	Percentage change in transportation costs between Feb to April, and Sept to Nov 2011
Millet\sack	Saraf Omra	22	25	14%
Onions\sack	Kebkabiya	15	20	33%
Onions\sack	Kutum	15	12	-20%

Table 1: Transportation costs, North Darfur

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Cash Crops

The price of many cash crops would normally be expected to decline in this quarter as harvesting begins. Instead, the price of **groundnuts** has changed little during the quarter reflecting depressed production. See Figure 5. This is evident in Dar Elsalam, for example, a major area of production where poorly distributed rainfall has badly affected groundnut production. In Seraf Omra, production does not appear to have been so severely affected and groundnut prices have fallen slightly.

Sesame production has been even more negatively affected by a combination of the poor rainy season and insecurity in the Dar Elsalam area which has displaced many producers. By November the new harvest should be appearing on the market. Instead, there was no sesame in either El Fasher or Dar Elsalam markets in October nor November.

As reported in Bulletin 3, the price of groundnut oil soared between May and September 2011, partly due to WFP's decision to stop distributing groundnut oil. The price now appears to have stabilized at the exceptionally high price of around SDG 200 per jerrycan in this quarter. See Figure 6.

Tombac production has also fallen because of poor wadi flows in 2011, and therefore inadequate moisture, although prices are still following normal seasonal trends and the price of dried tombac in El Fasher market fell in November 2011. The tombac harvest is November/ December to March/ April. See Figure 7.

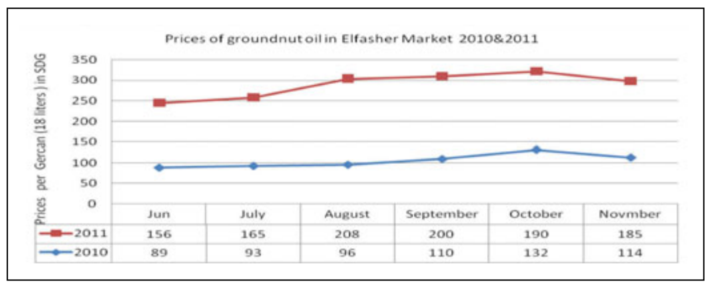

Figure 6: Price of groundnut oil in El Fasher market, 2010 and 2011

Source: Central Bureau of Statistics, El Fasher office

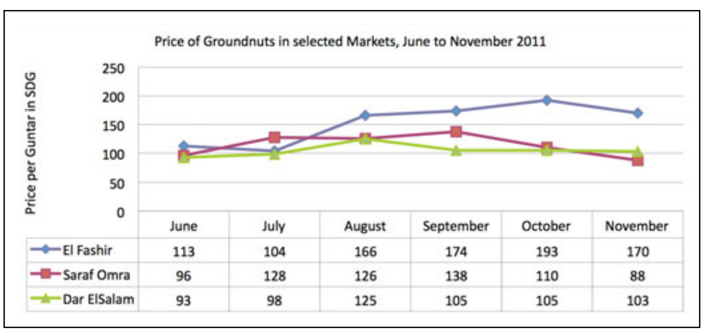

Figure 5: Groundnut prices in North Darfur

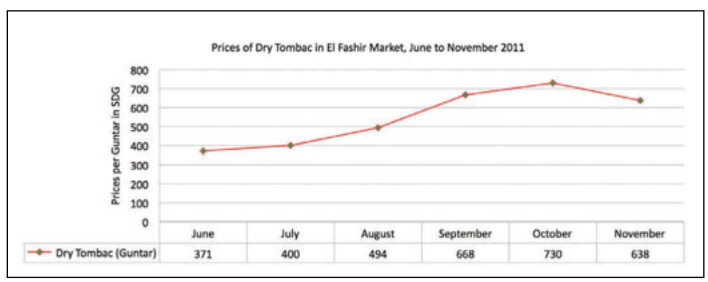

Figure 7: Price of tombac, El Fasher market

Prospecting for gold in North Darfur

Opportunistic gold prospecting has continued in the Kutum and Umm Keddada areas. In Kutum locality there are an estimated 5000 to 6000 gold prospectors in Khor-Magdie, Malagat and Timinat although an armed attack on the area temporarily reduced numbers. A localised service economy is developing in these different locations, for example restaurants and tea-makers, transporting water and hiring vehicles.

Gold prospectors are coming from many different parts of Darfur, from Kordofan and from further afield in Sudan. High levels of cooperation are noted between gold prospectors from different ethnic groups and geographical areas, suggesting that there may be opportunities to build relationships between groups that have previously been hostile to one other around this activity, although it may also be drawing some away from their traditional livelihoods.

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Fruits and Vegetables

After the steep increase in tomato prices in the last quarter, prices have fallen in this quarter reflecting seasonality of production and the harvest period for rainfed tomato production beginning in September. However, tomato prices are still higher than the same period in 2010 because of the poor rainy season in 2011 and reduced wadi flows as well as overall inflationary pressures. See Figure 8.

The price of onions increased this quarter, as would be expected in the months preceding the harvest. See Figure 9 which shows onion prices in Seraf Omra, a major area of production, and in El Fasher, a major area of consumption.

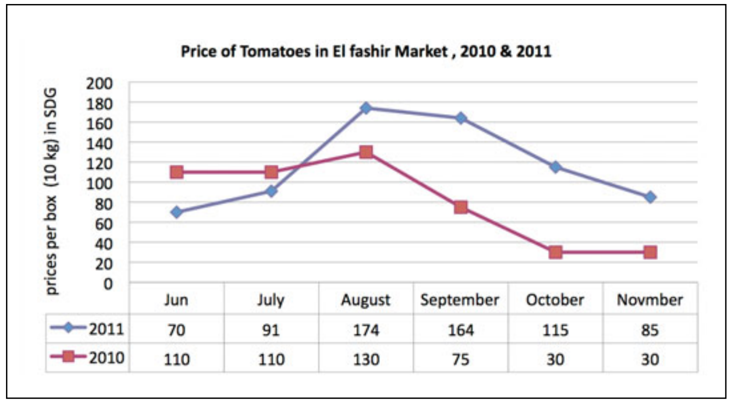

Figure 8: Price of tomatoes in El Fasher, June to November 2010 & 2011

Source: DRA for 2011; Central Bureau of Statistics, El Fasher office for 2010

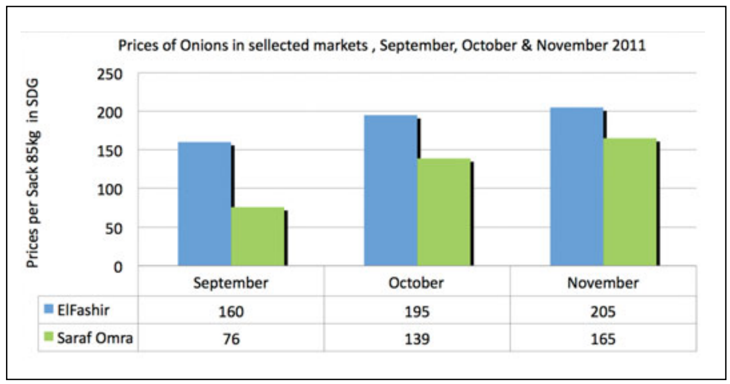

Figure 9: Price of onions in El Fasher and Seraf Omra

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.

Feinstein International Center

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UNEP United Nations Environment Programme

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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