

Trade and Market Bulletin North Darfur



Darfur Development and Reconstruction Agency

Covering the Quarter September to November 2012 • Vol. 2, No. 4 • www.dra-sudan.org • mzakaria065@gmail.com



Headlines

- Although the forthcoming harvest season is expected to be better than the last, nominal cereal prices have remained high. This is partly a reflection of the high inflation rate, but also the preference of traders to hold commodities rather than cash in the current economic context.
- The terms of trade between goats and millet in some food insecure areas such as Malha have been gradually improving.
- Sheep prices rose in October due to Eid Aladhi. Livestock prices have generally risen over the last year, partly due to inflation and possibly because of increased demand for export encouraged by federal policy.
- The price of groundnuts fell in anticipation of a good harvest, although tobac prices rose with the prospect of a poor harvest yet trade flows to traditional markets in South Sudan are expected to resume.
- The outbreak of some cases of yellow-fever at Jabal Amir, where large numbers of people are engaged in traditional gold prospecting, forced some to leave the area although gold prospecting is still causing shortages of agricultural labour.
- The major trade routes within North Darfur and beyond have been severely affected by insecurity and/ or heavy rainfall during the quarter. Kebkabiya market was totally cut off and prices of imported commodities soared.

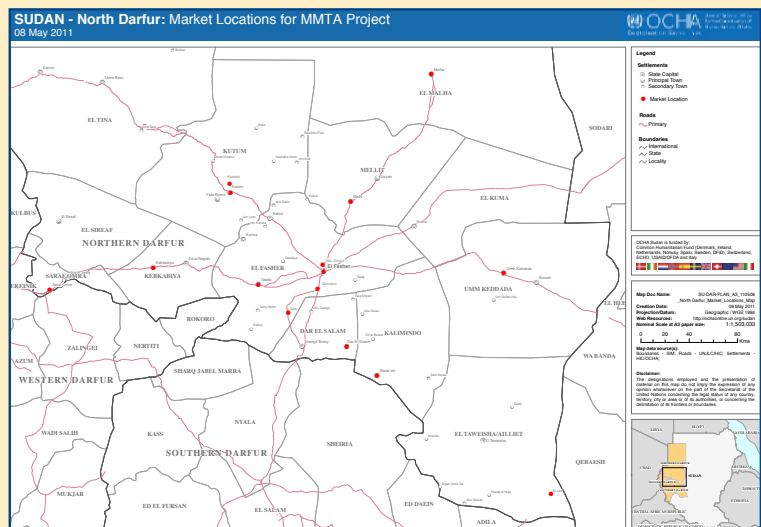
Recommendations

- Although the cereal harvest this season is expected to be better than the last season, close monitoring of food security conditions should continue, especially in areas known to be food insecure such as Malha and Mellit.

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 of September to November 2012 the prospects for the next cereal harvest look substantially better than the last season, both in terms of the size of the harvest and in terms of the flow of cereals onto the market. With such prospects, cereal prices would normally be expected to fall during these months. But as Figure 1 shows, millet prices have stabilized or have registered only a small fall. To some extent normal patterns are concealed by an extremely high inflation rate, of 46.5% in November 2012¹. Figure 2 shows consistently high millet prices over the last fifteen months, since September 2011.

Traders aiming to buy cereals to store while farmers are unwilling to sell (as reported to the market monitoring enumerators)

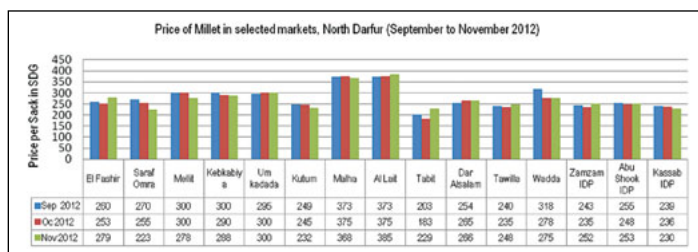


Figure 1 Millet prices in selected markets in North Darfur, September to November 2012

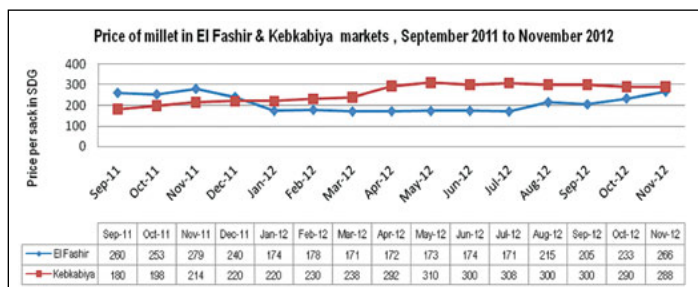


Figure 2 Millet prices in El Fashir and Kebkabiya markets over a 15-month period

appears to be another factor causing prices to remain high. This is indicative of both traders and farmers wanting to hold commodities rather than cash because of the very high inflation rate and the falling value of the Sudanese currency on foreign exchange markets.

Although a generally good harvest is anticipated, there have been some negative factors affecting production. There has been a shortage of agricultural labour due to gold prospecting and resumed migration to Libya. Unusually, the 2012 rains continued into mid-October in North Darfur which meant that continued weeding was necessary, again hampered by a shortage of labour. These are additional reasons why farmers may be unwilling to sell.

Malha and Al Lait markets registered the highest millet prices during the quarter. See Figure 1. Neither is a traditional area for cereal cultivation: Malha is a livestock producing area and Al Lait is a cash-crop producing area, especially groundnuts (although it

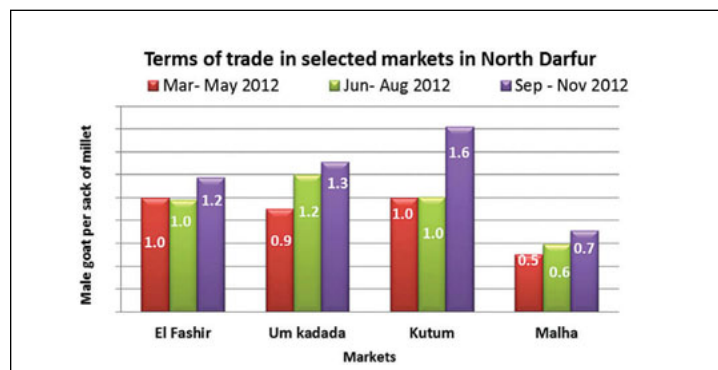


Figure 3 Terms of trade (goats for millet) in selected markets in North Darfur

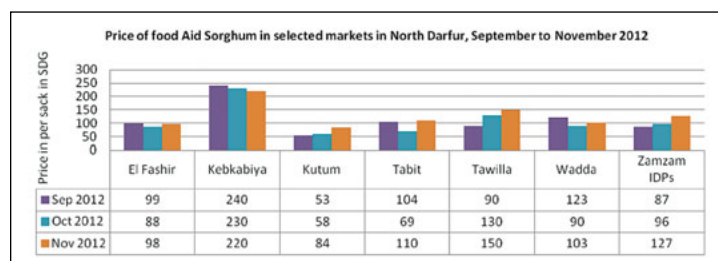


Figure 4 Price of food aid sorghum in selected markets in North Darfur, September to November 2012

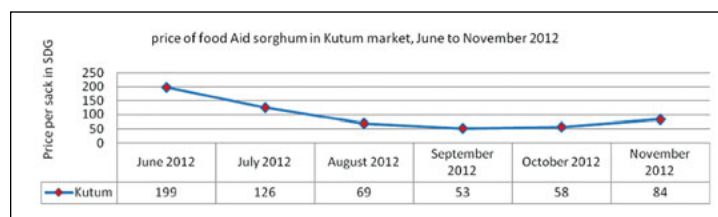


Figure 5 Price of food aid sorghum in Kutum market in North Darfur, September to November 2012

¹ Source: Federal Ministry of Finance and Economy

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Cereals (continued)

does not usually register such high cereal prices relative to other markets in North Darfur). Tabit registered the lowest millet prices, reflecting the impact of temporary market closure during the quarter because of insecurity which meant there was low demand compared to supply.

Figure 3 shows how the terms of trade between goats and millet have improved in North Darfur as livestock prices have risen faster than cereal prices. Although lower than in other markets, the terms of trade have also risen in Malha.

The price of food aid sorghum was relatively stable or increased slightly during the quarter in most monitored markets. See Figure 4. In Kutum market the price of sorghum has declined by

over 50% between June and November 2012. This is probably related to recent relief distributions targeting Kutum as it was the scene of insecurity in August 2012. See Figure 5. In fact food aid sorghum was not distributed this quarter. Instead, wheat aid has been distributed by WFP either as free food distribution or as food for work or food for recovery.

Kebkabiya market was badly affected by a blockage of the main trade routes into the town for the entire quarter due to insecurity and heavy rainfall. There was also high demand for cereals locally from gold prospectors in the Jabal Amir area and from the WFP voucher scheme. Millet prices fell slightly in Kebkabiya, but not as much as would normally be expected. The price of food aid sorghum was exceptionally high, as demonstrated in Figure 4. The trade route to Kebkabiya through Kutum has since re-opened.



Federal policies have encouraged the export of livestock to compensate for lost revenues and foreign exchange from petroleum after the secession of South Sudan. This may have caused livestock prices to rise. Sheep prices in Um Kadada market, for example, have risen much faster than the rate of inflation: the price of a male sheep in September, October and November 2012 were respectively 93%, 55% and 51% higher than the price in September, October and November 2011. Cattle prices in El Fasher in September, October and November 2012 were respectively 22%, 44% and 51% higher than prices in September, October and November 2011.

Livestock

During the quarter, the price of livestock was relatively stable although sheep prices rose in October due to increased demand for Eid Aladhi. See Figure 6. The quality and size of cattle being sold in El Fasher market has deteriorated as two important sources of cattle to the market have been stopped by insecurity: *Korri* cattle from South Darfur because of insecurity along the Nyala/ El Fasher route, and cattle from Dar Zaghawa because of insecurity along the Kutum/ El Fasher route during the quarter. Prices have remained high despite the inferior quality of cattle currently being sold. See Figure 7.

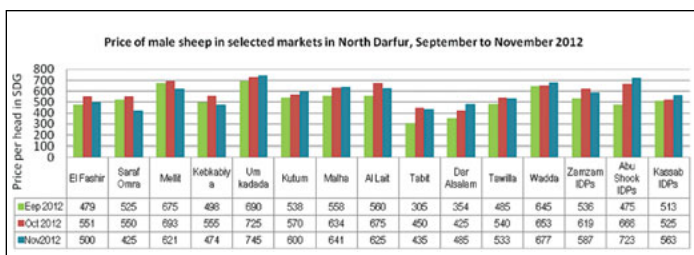


Figure 6 Price of male sheep in selected markets in North Darfur, September to November 2012

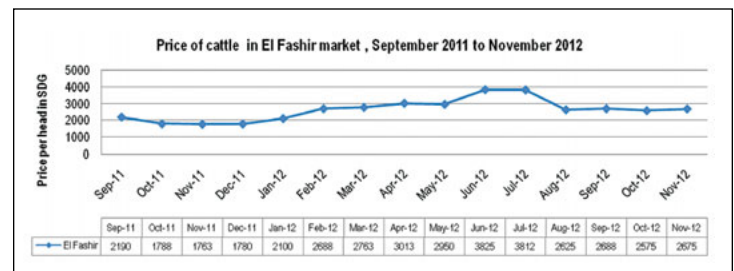


Figure 7 Price of cattle in El Fasher market, September 2011 to November 2012

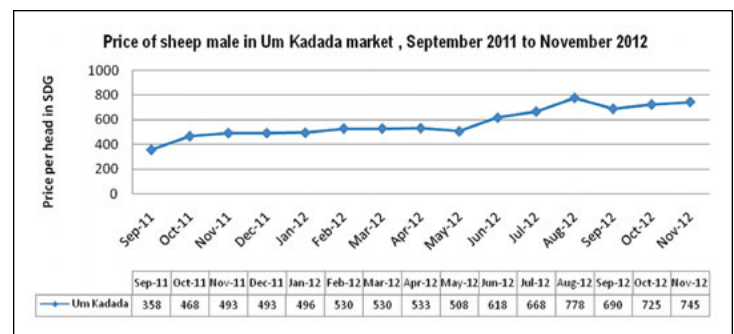


Figure 8 Price of male sheep in Um Kadada market, September 2011 to November 2012

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Cash Crops

During this quarter increased availability of cash crops such as groundnuts, dry okra and dry tomatoes have been recorded in a number of markets, causing a fall in price, especially in real terms if inflation is taken into account. See Figures 9 and 10. The prospects of a good groundnut harvest (which began in October) in traditional production areas in Al Lait, Wada'a and Dar Alsalam seem to be the cause of this fall in groundnut prices. Dry okra and dry tomato prices are falling in line with normal seasonal trends.

For other cash crops such as sesame, Karkadi (hibiscus), watermelon seed and gum arabic there is limited availability in traditional markets such as Al Lait, Wada'a, Dar Alsalam and Um Kadada. For gum arabic this is because it is the off-season: the harvest begins in November, the month when Al Lait began to record availability again. In the case of sesame, many farmers appear to have avoided planting sesame in favour of well-tested cash crops like groundnuts. Sesame is regarded as a high risk cash crop that is vulnerable to pests. When it reaches maturity it must be harvested immediately – within a week or less – or yields will be negatively affected. This means that it is a cash crop that is particularly conflict-sensitive. Kerkadi (hibiscus) is not cultivated on a large scale in North Darfur, unlike in Kordofan, and national marketing policies that have failed to stabilize the price have acted as a disincentive. The watermelon harvest is highest in years of low rainfall so is expected to be poor this year meaning low production of watermelon seed.

The price of dry tombac has risen during the quarter. See Figure 11. A poor harvest is expected this season as flooding destroyed bunds and water channels, negatively affecting water harvesting on which tombac cultivation depends. Also, the expectation that trade between Sudan and South Sudan will be resumed pushed prices up.

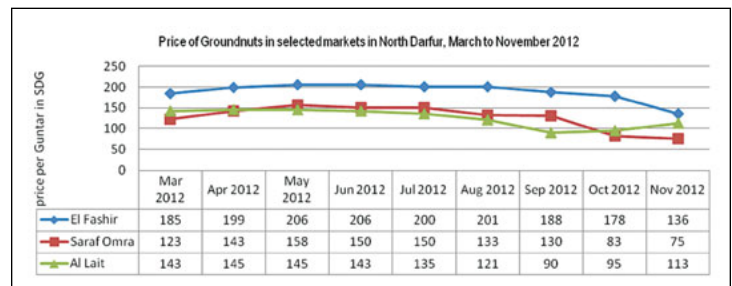


Figure 9 Price of groundnuts in selected markets in North Darfur, March to November 2012

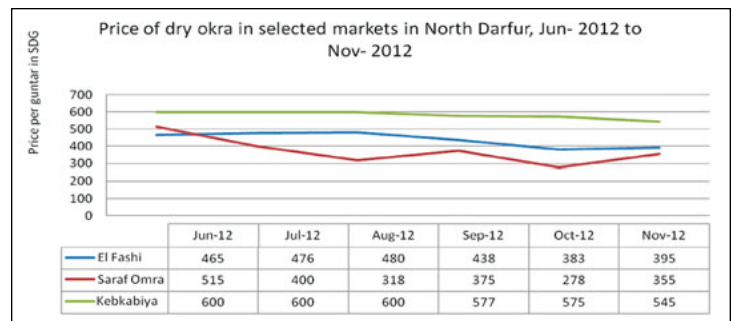


Figure 10 Price of dry okra in selected markets in North Darfur, June to November 2012

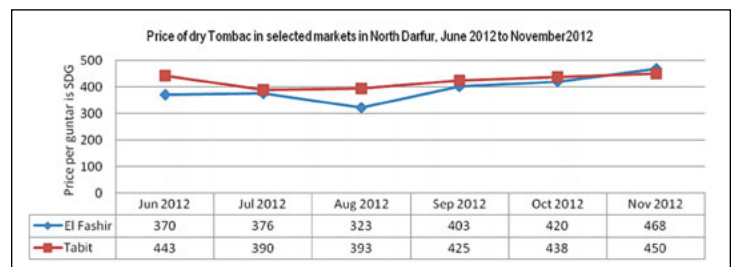


Figure 11 Price of tombac in El Fashir and Tabit Markets, June to November 2012

Natural Resources

Because of the availability of green grass, no dry grass for animal fodder was sold in any of the monitored markets. Only in El Fashir market was green grass brought to the market to be sold, at low prices.

The amount of firewood and charcoal brought to the market

fell during the quarter and prices rose. This is attributed to high daily wage rates in the agriculture sector during the quarter. Those who would normally collect and sell firewood and charcoal chose agricultural work instead. For example the daily wage for agriculture in July was SDG 30 per day, but rose to SDG 50 per day during the months of September to November 2012.

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Fruits and Vegetables

Fruit and vegetables are produced in many parts of North Darfur, particularly in the west, in Kutum, Kebkabiya and Saraf Omra, as well as Jebel Marra area, the main source of fruit in El Fashir market. As perishable products, the price is affected by seasonality, by insecurity that impedes or delays transportation as well as other factors such as pests and insects. During this quarter the price of fresh tomatoes fell sharply in November reflecting the impact of seasonality. Within four months from August 2012 to November 2012, the price of fresh tomatoes had decreased by 164% in El Fashir, a major area of consumption, and by 212% in Kutum, a major area of production area. See Figure 12.

In contrast, the price of onions, normally cultivated in Kutum, Kebkabiya and Saraf Omra, has risen steadily during the quarter. The price rose by 76% over four months from August to November 2012 in El Fashir market, an area of consumption, and by 97% in Kutum, one of the main production areas. See Figure 13. This is a result of seasonality as the harvest took place between May and July, as well as the impact of inflation.

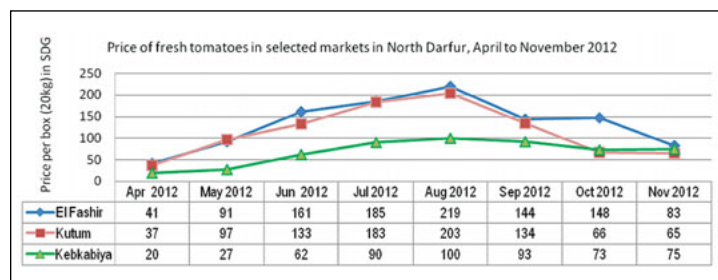


Figure 12 Price of fresh tomatoes in selected markets in North Darfur, April to November 2012

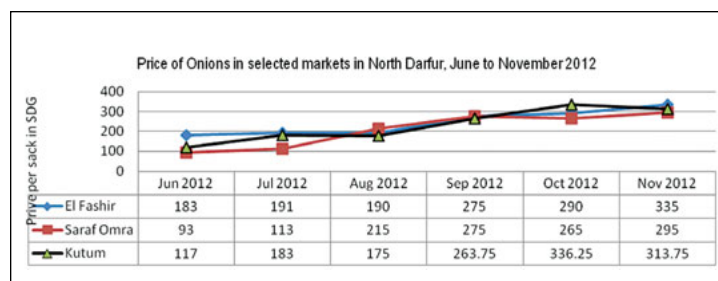


Figure 13 Price of onions in selected markets in North Darfur, June to November 2012

Gold Prospecting and Daily Labouring

As indicated in the last bulletin, Jabal Amir in Seraif Locality is regarded as the gold prospecting site with greatest potential in North Darfur. It has therefore attracted a large number of opportunistic gold prospectors from Darfur and beyond, even from beyond Sudan's borders. Official estimates of the number of gold prospectors is about 50,000. This means a large number of people living in the bush without any basic hygiene facilities. 22 cases of Yellow Fever have been diagnosed on the Jabal Amir Site with two deaths². There have since been vaccination campaigns which

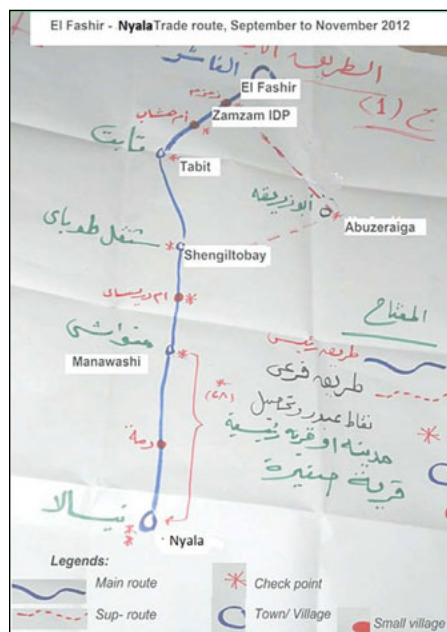
appear to have brought the situation under control. Nevertheless, this caused some to leave the Jabal Amir area to avoid the risk of infection although many have remained to continue gold prospecting.

Gold prospecting is one cause of the shortage of daily labour reported in almost all monitored markets, negatively impacting the agriculture sector.

² Source: State Ministry of Health

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Transportation: Access and Costs

Insecurity and heavy rainfall have affected many trade routes across North Darfur. Although the route linking El Fashir with Kebkabiya, Saraf Omra and Seraif, through Tawilla and Kawra reopened in the last quarter following insecurity in Kutum (as reported in the last bulletin), due to insecurity in August 2012 it has been closed again. The trade route connecting El Fashir/Zamzam/Tabit and Shengiltobaya up to Nyala (which had 37 checkpoints) closed in November 2012 because of insecurity. Instead, the route from El Fashir to Nyala through Zamzam, Abu Zeraiga and Shengiltobaya (with 35 checkpoints) reopened during the quarter. See the map.

The market suffering the most serious trade blockages during the quarter has been Kebkabiya market. Not only did the direct route through Tawilla and Kawra close, but the longer route through Kutum also closed due to insecurity in August. Therefore the only functioning trade route from El Fashir to Kebkabiya was through Nyala and Zalingei. But even this exceptionally long route was affected by insecurity and heavy rainfall. As a result, no trucks were able to reach Kebkabiya market during the quarter and prices of some imported commodities soared: for example, the price of sugar increased from SDG 280 per 50 kg sack before the quarter to SDG 400 per sack during the quarter.

Trade route	Commodity	June to August 2012	September to November 2012
		Average cost (SDG)	Average cost (SDG)
El Fashir/ Nyala	Orange by box - 50 dozen	20	30
El Fashir/Kutum	Onions per sack- 90kg	20	25

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

Transport costs have risen in all monitored markets. See Table 1. As well as the reasons described above, the rising cost of fuel has been a contributory factor. 1 liter of benzene rose from SDG 5 in the last quarter to SDG 7 per liter this quarter in Kutum market, an increase of 29%. As a result people are reverting to using animals for transportation, especially from primary to secondary markets: donkey carts, donkeys and camels.

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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United Nations Environment Programme

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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