

Trade and Market Bulletin West Darfur



Darfur Development and Reconstruction Agency

Covering the Quarter December, 2012 to February, 2013 • Vol. 1, No. 4 • www.dra-sudan.org • mzakaria065@gmail.com



Headlines:

- The Jebel Amir conflict impacted trade and markets in a number of ways: some trade routes from Saraf Omra closed, a number of markets temporarily stopped the trade in cattle to avoid buying and selling cattle raided from Jebel Amir, the trade in onions from North Darfur stopped, and wage rates in El Geneina fell as gold prospectors returned to look for work
 - Cereal prices have generally been stable
 - The authorities in some localities attempted to fix prices below the market rate: in Kondobe for cereals and meat, and in Fora Boranga for meat
 - Groundnut prices have mostly fallen during the quarter as supply increased
- Transport costs to Kulbus have risen as the main trade route from Omdurman to Kulbus via North Darfur closed during the quarter because of the Jebel Amir conflict, thus increasing commodity prices

Recommendations:

- A deeper analysis is needed of the impact of gold prospecting in Jebel Amir, and the subsequent collapse of gold prospecting at this site, on the local economy and on the labour market of West 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. Five CBOs plus DRA are monitoring 11 markets across West Darfur, including two 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.

Participating CBOs and the markets they monitor

El Massar Organization for Nomad Development and Environment Conservation (MONEC) [El Geneina, Kerenik and Habila]

Pioneers of Peace and Development Organization (PPDO) [Mornei and Kirinding IDP camp]

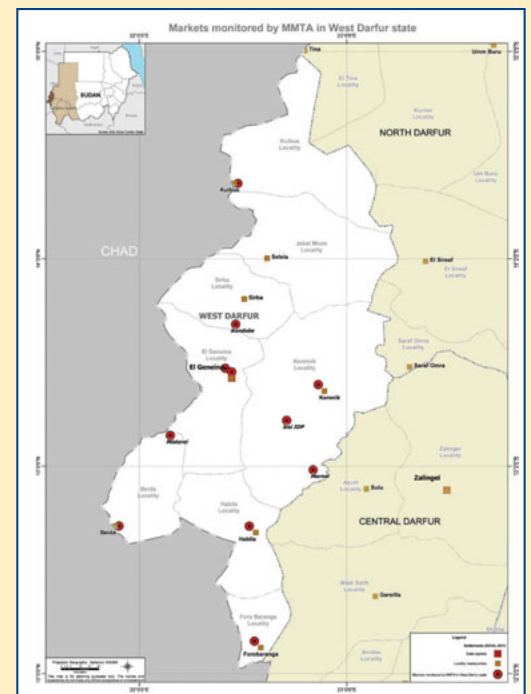
Community Development Association (CDA) [Foro Baranga and Kondobe]

Beida Organization for Relief and Development (BORD) [Beida and Misterei]

Sarabeel Organization for Services and Development (SOSD) [Kulbus]

Darfur Development and Reconstruction Agency (DRA) [El Geneina and Sisi IDP camp]

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Cereals

As Figure 1 demonstrates, millet prices have been relatively stable in major markets such as El Geneina over the last ten months, with an overall downwards trend. The exception is Fora Boranga, which is located in an area of sorghum production. As mentioned

in the last bulletin, it is supplied with cereals from Chad and this flow has been affected by controls on cross-border trade imposed by the Chadian authorities. It is also an important market supplying cereals to parts of South Darfur, for example Rahed El Birdi. The lowest price was recorded in Kulbus market, an important area for millet production in West Darfur. The price differential between the average millet price for the quarter in Fora Boranga (recording the highest price) and Kulbus (recording the lowest price) was 68%, lower than the price differential of 85% recorded in North Darfur between Seraf Omra and Malha markets in the same quarter – see North Darfur Trade and Market Bulletin, Volume 3, number 1.

Millet prices have been more volatile in Misterei market, rising sharply in January 2013 as a result of local conflict when farm land was set on fire and the locality authorities purchased millet in the market to support those affected.

In Habila the Agricultural Bank of Sudan made *asalam* loans to farmers. This appears to have caused cereal prices to rise in January and February as the loans of SDG 500 were paid back in kind, as five sacks of cereals at the rate of SDG 100 per sack. Habila cereal market depends on local supply, hence the localized impact of the *asalam* loans.

In Kondobe market in Sirba locality, the local authorities fixed the price of millet at SDG 4 per kora; the market rate had been SDG 4.5 per kora. This is therefore a forced reduction of 10%. The longer-term impact of this unilateral action should to be monitored, especially if the price remains fixed at this level as cereal prices rise across West Darfur.

Cereals (continued on next page)

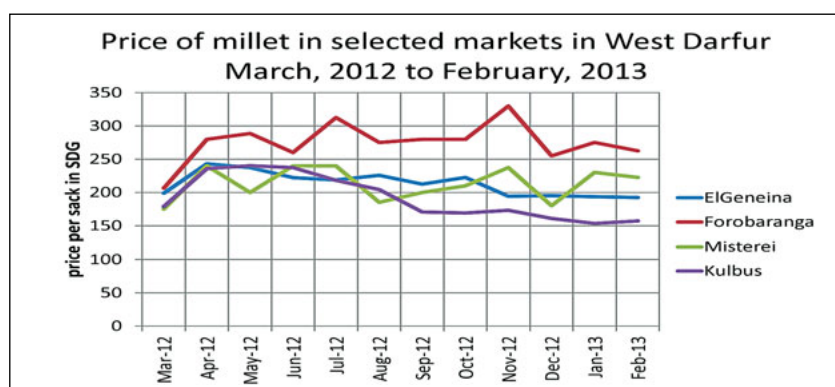


Figure 1: Price of millet in four markets in West Darfur, March 2012 to February 2013.

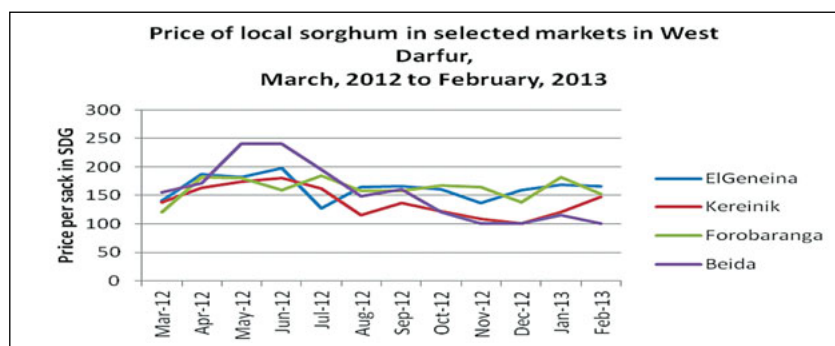


Figure 2: Price of local sorghum in four markets in West Darfur, March 2012 to February 2013.

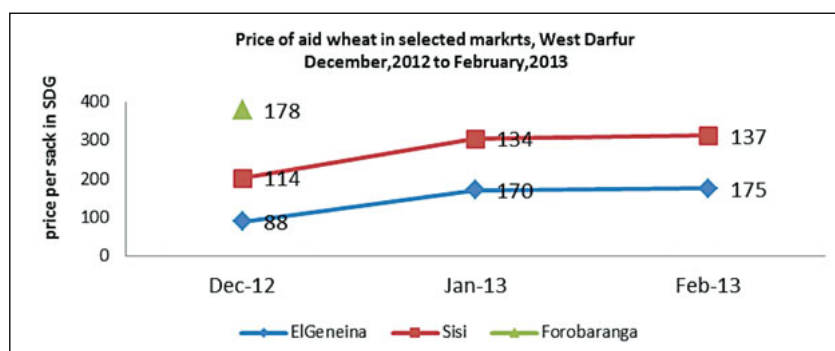


Figure 3: Price of food aid wheat in three markets in West Darfur, December 2012 to February 2013

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Cereals (continued)

Figure 2 shows how the price of locally produced sorghum follows a similar trend to millet prices, and is relatively stable although overall has declined during the last ten months. The price differential for local sorghum between markets in West Darfur during the last quarter is less than the price differential for millet: 57% between the average price for the quarter in El Geneina and in Beida markets.

The conflict in Jebel Amir and dispersal of the gold prospectors in January 2013 meant the loss of a major source of demand for cereals, although the impact of this on prices is not immediately apparent.

Food aid wheat was available in only three monitored markets in West Darfur during the quarter, as shown in Figure 3. It was not distributed by WFP this quarter. In a few locations WFP is using food vouchers instead, for example in some camps around El Geneina.

Livestock

The Jebel Amir conflict had a major impact on livestock markets during the quarter. Some markets stopped trading cattle to remove any outlet for cattle stolen during the conflict, for example Kondobe market in Sirba locality which would otherwise be an outlet for stolen cattle sold to Chad; the local authorities temporarily banned the cattle trade causing prices to fall. Figure 4 shows how the price of cattle fell in January 2013 in El Geneina and Kereinik markets, and Figure 5 shows how the price of sheep fell in these two markets in the same month. Another possible cause of the fall in cattle prices in El Geneina market after December 2012 is the drying up of supplies of high quality cattle from Fora Boranga. This trade route operates in the rainy season when water sources are plentiful but stops in the dry season because of lack of water, at which point the quality of cattle sold in El Geneina market tends to fall as it is supplied locally and sometimes from Chad.

In two markets the respective localities fixed the price of meat. In Kondobe the local authorities set the price of meat at 30 SDG per kg instead of the prevailing market price of 40 SDG per kilo, a reduction of 25%. Whether this has impacted on livestock prices is not entirely clear from the data available. In Fora Boranga market the local authorities have fixed the price of meat at SDG 18 per kg, compared with the market price of SDG 24 per kg, again a reduction of 25%. Consumers have the choice either to buy from government at subsidized prices or direct from the market. As one of the biggest livestock markets in West Darfur, this fixing of the price of meat does not appear to have impacted on livestock prices.

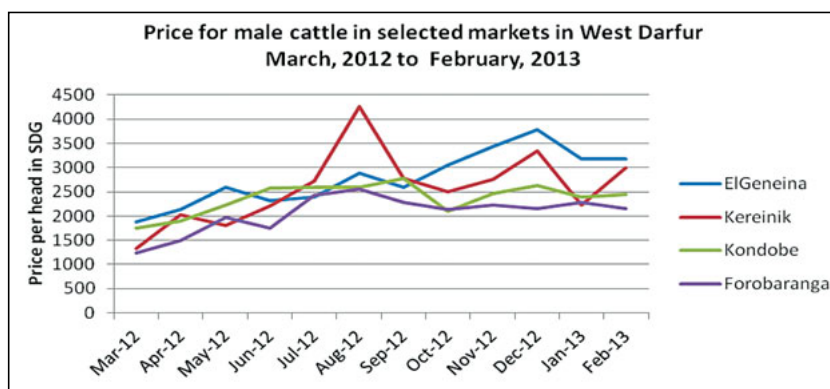


Figure 4: Price of male cattle in four markets in West Darfur, March 2012 to February 2013.

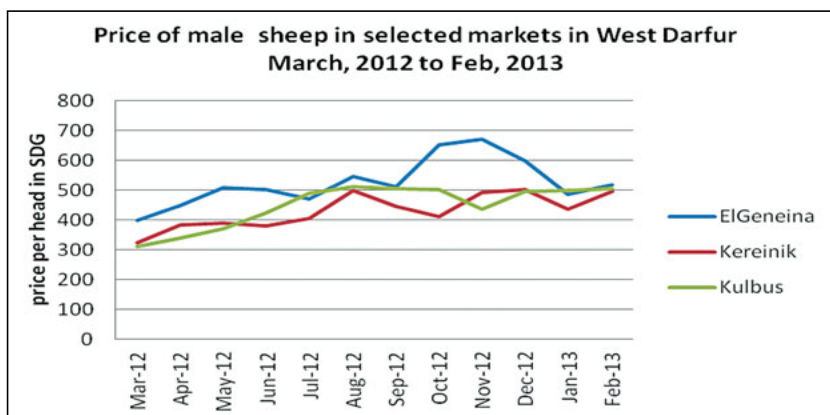


Figure 5: Price of male sheep in three markets in West Darfur, March 2012 to February 2013.

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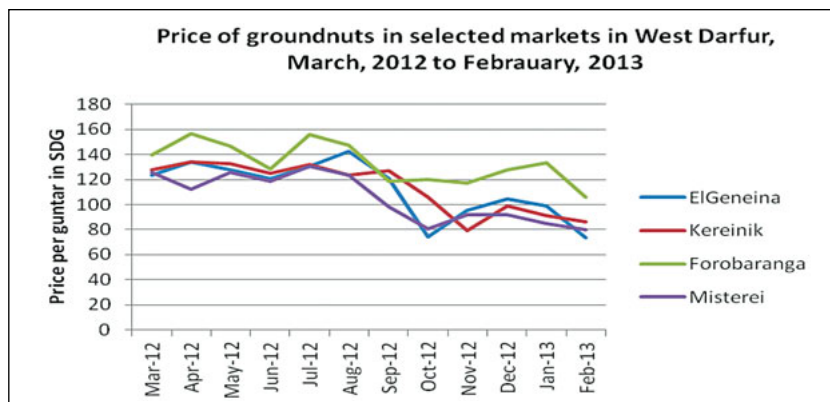


Figure 6: Groundnut prices in four markets in West Darfur, March 2012 to February 2013

Cash Crops

Groundnut prices have fallen over the last twelve months as can be seen in Figure 6. This appears to be due to increased supply during the last agricultural season as well as traders selling from their stores, and the Agricultural Bank of Sudan selling groundnuts they received from farmers as repayment of *asalam* loans. Yet production costs in 2012 were high. By February 2013 El Geneina recorded the lowest groundnut price and has been well-supplied from the surrounding area. Fora Boranga reported the highest price; this is not a groundnut-producing area, instead it is dependent on supply from Chad as well as from areas of production within West Darfur.

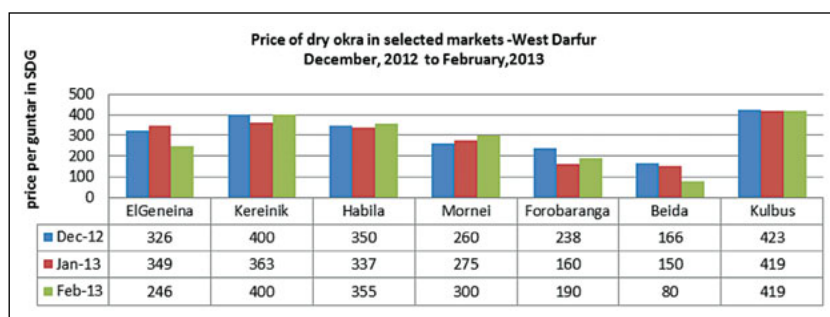


Figure 7: Price of dry okra in selected markets in West Darfur, December 2012 to February 2013

Kulbus reported the highest price of **dry okra** this quarter. This is a reflection of the high quality of okra produced in the area. It also supplies both Chad and North Darfur. Kereinik also reported a high price although this is due to the Jebel Amir conflict which meant that the trading route from Saraf Omra was badly affected. Beida market reported the lowest price of okra; it produces low quality okra for local consumption only. See Figure 7. Overall, however, the price of dry okra has fallen over the last twelve months. See Figure 8.

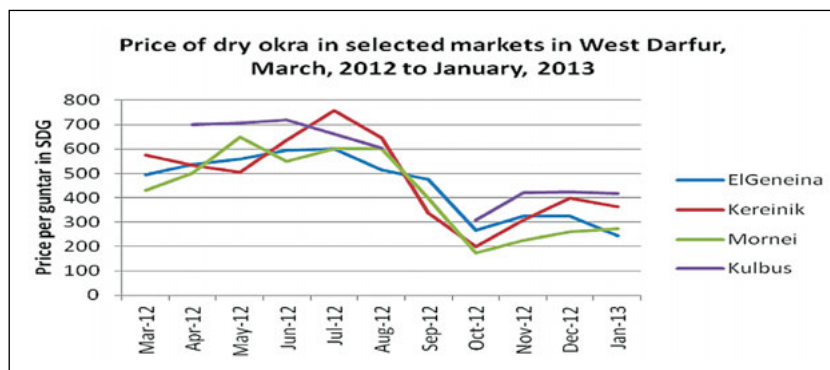


Figure 8: Price of dry okra in four markets in West Darfur, March 2012 to January 2013

This quarter the price of **dry tomatoes** has fluctuated in different markets. Overall, however, the price appears to have returned to levels similar to the same time last year. See Figure 9.

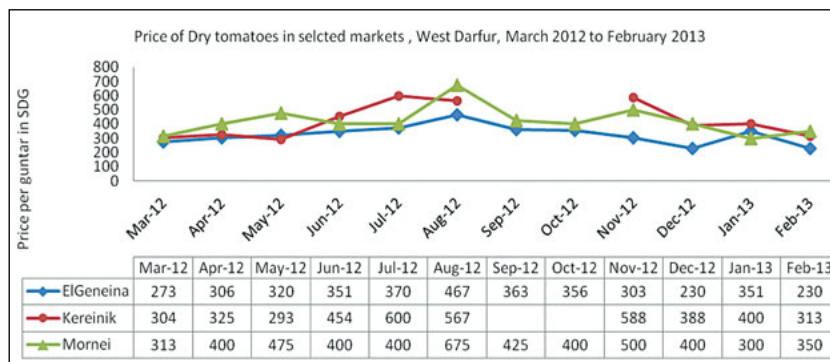


Figure 9: Price of dry tomatoes in three markets in West Darfur, March 2012 to February 2013

Surprisingly, watermelon seeds and karkadeh disappeared from most of the markets monitored in West Darfur, implying a fall in production of these two commodities.



Transportation: Access and Costs

As a result of the Jebel Amir conflict, the road between Kulbus and North Darfur (Saraf Omra) closed. This had been an important trade route for commodities from Omdurman to Kulbus. Kulbus therefore had to be supplied from El Geneina. As a longer and less direct trade route, this pushed up transport costs, in turn causing commodity prices in Kulbus to rise. Along the Kulbus – El Geneina route the number of check points increased from 12 to 18, associated with insecurity in Kondobe when the market was attacked. The total checkpoint fees on this route increased from SDG 90 to 100 SDG per truck. As a result, the transportation cost for sugar from El Geneina to Kulbus increased from SDG 15 per sack in the last quarter to SDG 20 SDG per sack this quarter, and the

transportation cost of onions increased from SDG 30 per sack in the last quarter to SDG 40 per sack this quarter.

The road for one of West Darfur's major trade routes, from Nyala to Zalingei and from Mornei to El Geneina, is currently being paved. However, attacks on the construction company, at Solo, delayed construction by more than a week; conflict in the West Jebel Marra area has delayed construction for longer periods. Paving the road from Zalingei to Nyerteti, Tor and Kass has resulted in a reduction of the number of checkpoints along the road. The total fees paid at checkpoints has fallen from SDG 1360 per truck previously to SDG 760 during the quarter.

Income-generating Activities

The Jebel Amir conflict which caused gold prospectors to leave the site has noticeably impacted on the labour market in El Geneina. As many more people are now seeking work in El

Geneina the daily wage rate has halved compared with the last quarter, from SDG 30 per day in the last quarter to SDG 15 in February 2013.



Fruits and Vegetables

Saraf Omra is the main source of onions to most markets in West Darfur, as well as local production from areas such as Azernie, Kondobe and Mornei. The Jebel Amir conflict, which is in the middle of the onion producing area of North Darfur, has therefore negatively affected the trade in onions from the Saraf Omra area, causing prices in West Darfur to rise in February 2013. See Figure 10. In addition, gold prospecting caused labour shortages

in West Darfur's onion producing areas, negatively impacting production.

The price of fresh tomatoes has fallen, affected by seasonality of production. See Figure 11. Tomatoes are mainly produced in Azernie in Kereinik locality, Kondobe in Sirba locality and Tandeltei in El Geneina locality.

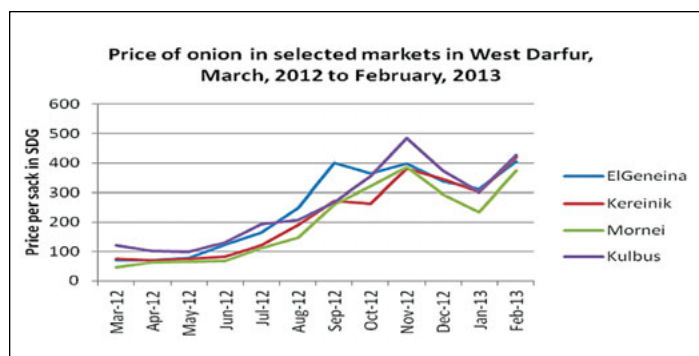


Figure 10: Price of onions in four markets in West Darfur, March 2012 to February 2013

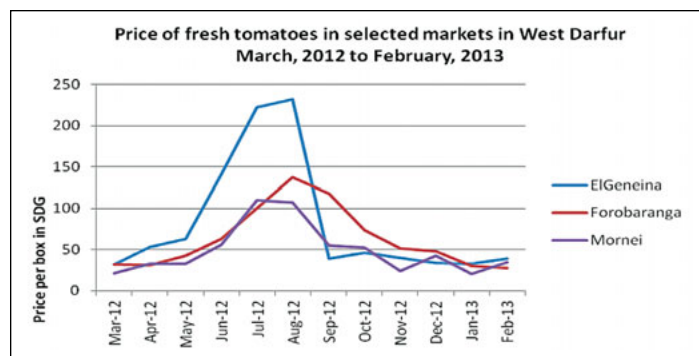


Figure 11: Price of fresh tomatoes in three markets in West Darfur, March 2012 to February 2013



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United Nations Environment Programme



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

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