

Trade and Market Bulletin

West Darfur



Darfur Development and Reconstruction Agency

Covering the Quarter March to May 2013 • Vol. 2, No. 1 • www.dra-sudan.org • mzakaria065@gmail.com



Headlines:

- Cereal prices have remained stable during the quarter in most of the 11 markets in West Darfur monitored by the project, reflecting good production in the 2012 agricultural season. Foro Baranga continued to report the highest cereal prices because of high demand from South Darfur and Central Darfur.
- Livestock prices have generally remained stable in West Darfur during the quarter. Tribal conflict in Mukjar and Umm Dukhn in Central Darfur in March and April reduced the supply of both cattle and sheep to Foro Baranga market.
- Groundnut prices have continued to fall during the quarter. This is expected to have a significant disincentive effect on groundnut production in the next agricultural season as farmers switch to other crops.
- Onion prices decreased sharply during the quarter in most markets in West Darfur. This is a normal seasonal trend but also indicates there may have been some recovery of onion production since the outbreak of the Jebel Amir conflict.
- As the mango season has started, mango prices have fallen during the quarter
- The early start of the rains, in May, temporarily disrupted transportation on the road from Nyala to Kass and Zalingei (which is in a very poor state), and then to El Geneina (where road construction is taking place). Further disruptions can be anticipated during the rainy season. Transportation costs between Omdurman and Geneina increased by over 10% during the quarter.

Recommendations:

- As groundnut prices continue to fall, ways of supporting the groundnut sector should be sought as it is anticipated that many farmers will switch out of groundnut cultivation in the 2013 agricultural season.

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]

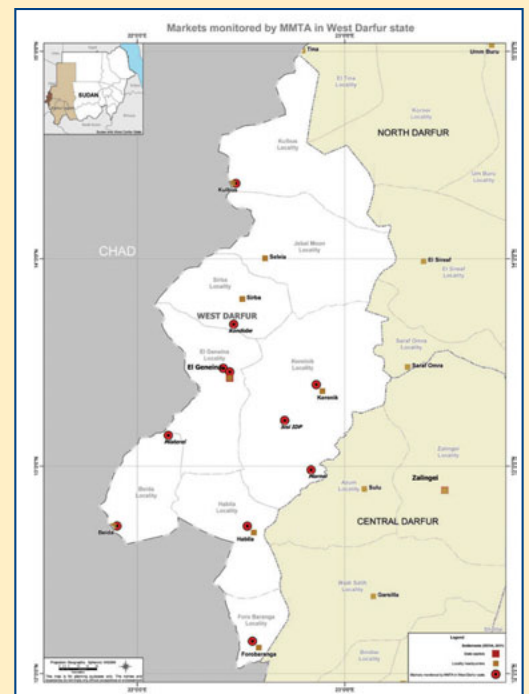
Community Development Association (CDA) [Foro Baranga and Kondobe]

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

There has been stability in cereal prices in most of the markets monitored by the project during the quarter. Although in March 2013 the price was higher than in March 2012, in April and May 2013 it was lower than the same months in 2012. See Figure 1. This reflects the good production in 2012. There was a small increase in the millet price in Kulbus in April, which appears to be due to increased demand for cereals in Chad, possibly due to interventions by aid agencies in Chad. This was unusual because cereals are normally imported to Kulbus from Chad. See Figure 2. Once again Fora Boranga registered the highest price of cereals because of high demand from South Darfur and Central Darfur.

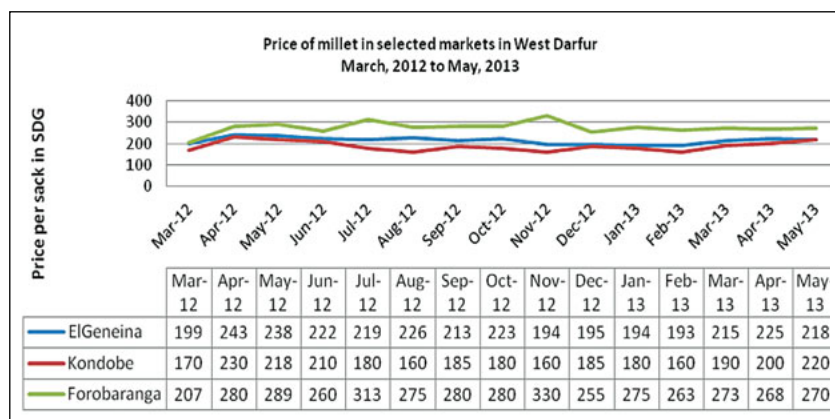


Figure 1: The price of millet in three markets in West Darfur, March 2012 to May 2013

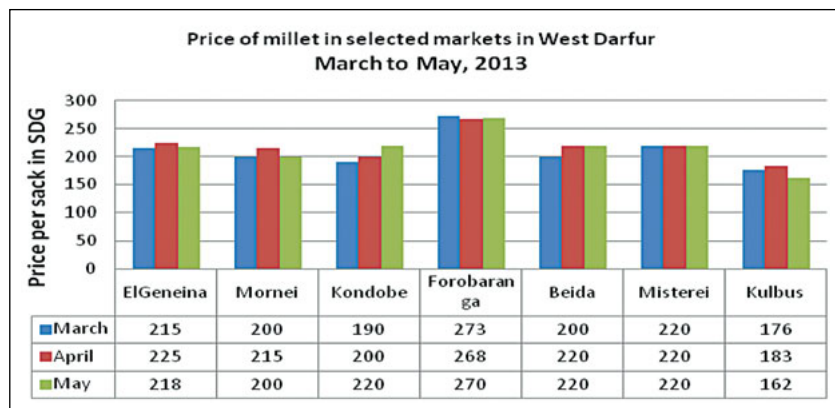


Figure 2: The price of millet in selected markets in West Darfur during the quarter, March to May 2013

The local authorities in Kondobei market continued to try and fix the retail price of millet at SDG 4 per kora, although with limited success as traders have refused to sell cereals below the market price of SDG 5.5 per kora. As demonstrated in Figure 2, this action by the local authorities has not prevented the wholesale price of millet rising in Kondobei during the quarter. Some other localities in West Darfur have attempted to control the movement of cereals.

As in the last quarter, there was limited availability of food aid wheat this quarter, only in two markets : El Geneina and Foro Boranga. No food aid wheat was distributed by WFP during the quarter.

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Livestock

Livestock prices have mostly been stable in West Darfur during the quarter. See Figure 3 which shows stable sheep prices in a number of monitored markets during the quarter. Figures 4 and 5, however, show the steady upwards trend in livestock prices – in this case sheep and cattle – over the last fifteen months. Tribal conflict in Mukjar and Umm Dukhn in Central Darfur state in March and April negatively affected the supply of both cattle and sheep to Foro Boranga market during the conflict, although this does not seem to have caused an increase in livestock prices in Foro Boranga.

The local authorities in Foro Boranga continued to subsidise the price of meat at SDG 18 per kg while the free market price was SDG 24 per kg. The authorities bought livestock, slaughtered them and then sold the meat at the reduced price of SDG 18 per kg. In Kondobei locality, the authorities attempted to fix the price of meat at 30 SDG per kg, but have none of their own livestock to sell. Therefore the free market price of SDG 40 per kg prevailed.

The price of camels for export in Foro Baranga fell during the quarter as there were few export traders present in the market. This appears to be related to instability in Egypt and insecurity on the trading route to Libya, both of which have acted as constraints to the camel export trade from West Darfur. This deserves further investigation.

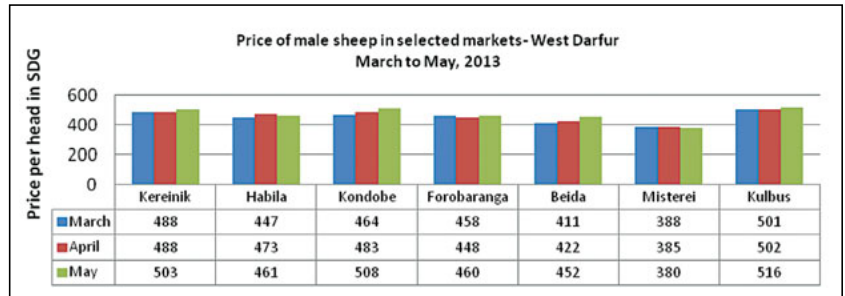


Figure 3: The price of male sheep in selected markets in West Darfur, March to May 2013.

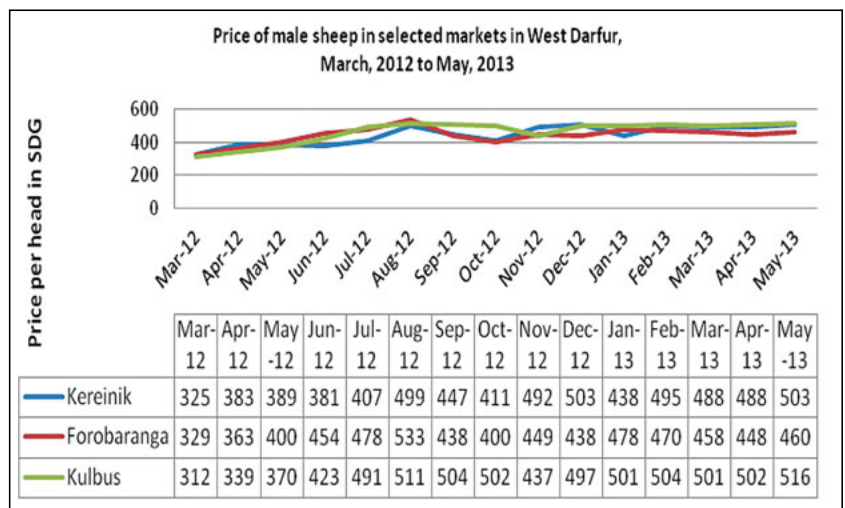


Figure 4: Price of male sheep in three markets in West Darfur, March 2012 to May 2013

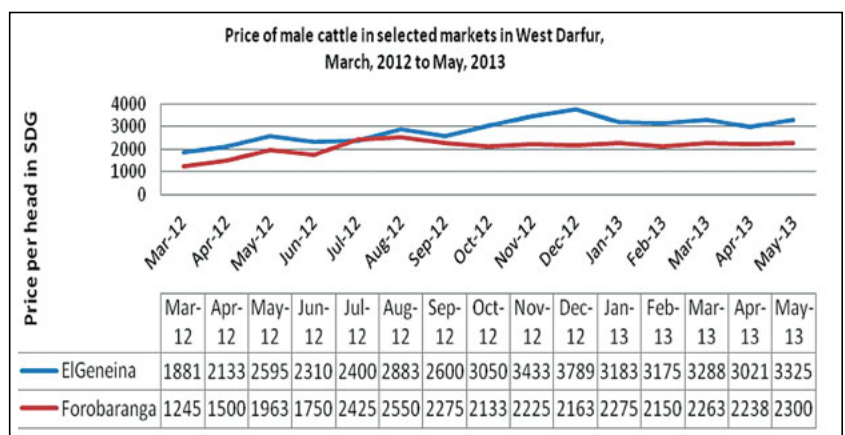


Figure 5: Price of male cattle in two markets in West Darfur, March 2012 to May 2013

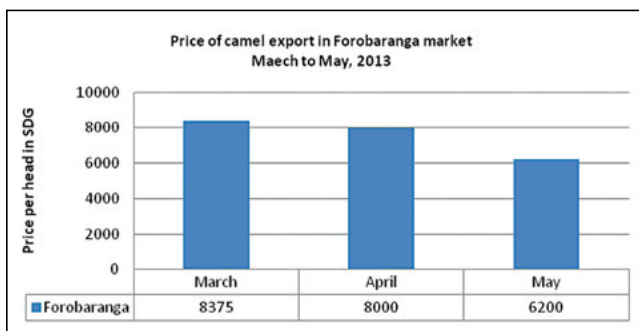


Figure 6: The price of camels for export in Foro Baranga market, March to May 2013



Cash Crops

Most remarkable in the cash crop sector is the downwards trend in groundnut prices during the quarter, contrary to the normal price trend in the months after the harvest. See Figure 7. Falling groundnut prices are expected to have a major disincentive effect on farmer choices for the 2013 agricultural season, many of whom may choose not to cultivate groundnuts this year, especially if the price falls to such an extent that they are not able to cover their costs of production in 2012. Groundnut prices are much lower than the same quarter in 2012, and are continuing to fall. See Figure 8.

The higher price of groundnuts in Beida, on the border, is probably influenced by trade with Chad. In March, traders from Chad bought groundnuts in Beida pushing the price up, but were no longer present in the Beida market in May when the price fell.

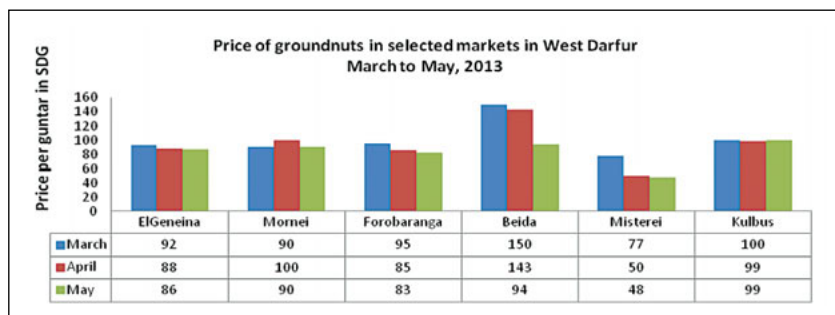


Figure 7: Groundnut prices in selected markets in West Darfur, March to May 2013

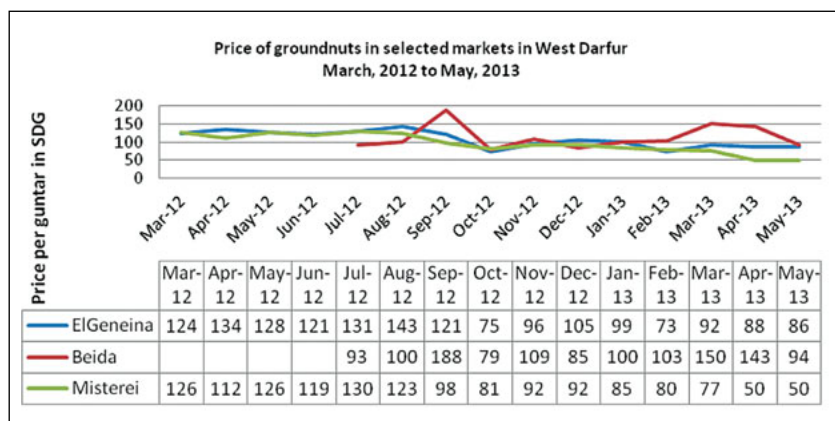


Figure 8: Groundnut prices in four markets in West Darfur, March 2012 to May 2013

Transportation: Access and Costs

The trade route from Saraf Omra to Kulbus that had been closed due to the Jebel Amir conflict re-opened in the first week of March. Trade between Kulbus and North Darfur could thus resume. The number of check points between Kulbus and El Geneina fell from 18 in the last quarter to 11 this quarter, indicating an improvement in security and reduced checkpoint fees from SDG 100 per truck to SDG 55. However, the cost of transporting a sack of millet remained the same as the last quarter and did not decrease. The movement of fuel to the north is controlled by government.

The early start of the rains in May temporarily disrupted transportation on the road from Nyala to Kass and Zalingei (which is in a very poor state), and then to El Geneina (where road construction is taking place). Further disruptions can be anticipated during the rainy season.

Table 1 shows how transportation costs between Omdurman and El Geneina have increased during the quarter. Although state government has attempted to reduce taxation – see



items 6 and 7 in the table – the overall transportation costs per truck are very high and continuing to rise, by as much as 11% during this three month period. Transport costs can be expected to escalate further during Ramadan and during the rainy season.

Table 1: Transportation costs per truck from Omdurman to El Geneina, carrying 600 sacks of sugar, March to May 2013

No	Items	Cost in March 2013 SDG per truck	Cost in April 2013 SDG per truck	Cost in May 2013 SDG per truck
1	Vehicle rent Omdurman to Geneina	36,000	40,000	42,000
2	Manifesto Tax	1,870	2,000	2,150
3	Business profit tax	600	600	600
4	Value added tax	700	900	900
5	Sudanese meteorology and standards	100	200	200
6	State Ministry of Finance fees	1500	1125	720
7	Taxation paid to the tax corporation	1300	-	-
8	Locality fees	10	10	10
9	Departure fees	55	55	70
10	Check points Nyala to Geneina	75	75	80
11	Expenses en route from Khartoum, including other check point fees	2000	2200	2500
12	Ed Daein Borsa - East Darfur	150	150	150
13	Nyala Borsa - South Darfur	260	260	260
14	Zalingei Borsa- Central Darfur	160	160	150
15	Convoy fees paid to the police for security	400	400	400
	Total	45180	48135	50190

Source: Chamber of Commerce, El Geneina, May, 2013.

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Fruits and Vegetables

There was a sharp decrease in the price of onions during the quarter in most of the monitored markets in West Darfur, partly because of seasonality but this may also indicate that onion producers returned to their farms after the Jebel Amir conflict and that production has started to recover. See Figure 9. However, Figure 10 shows how the price of onions is still more than 200% higher than the price of onions in the same months last year.

As the mango season has started, mango prices fell during the quarter. See Figure 11. Figure 12 shows how mango prices are higher this quarter than the same time last year.

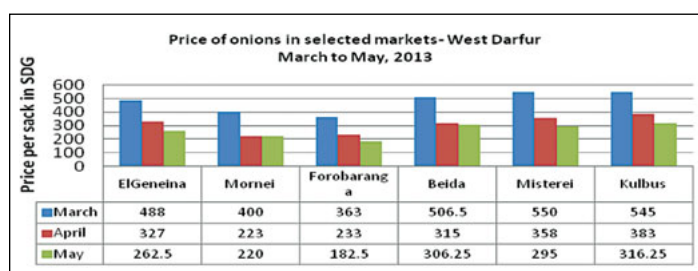


Figure 9: The price of onions in selected markets in West Darfur, March to May 2013

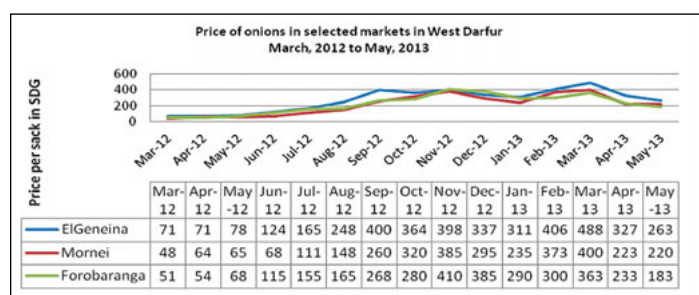


Figure 10: The price of onions in three markets in West Darfur, March 2012 to May 2013

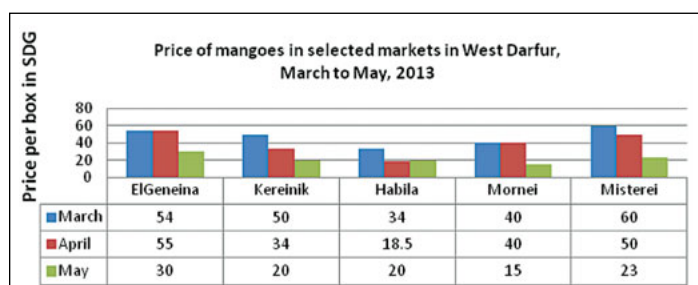


Figure 11: The price of mangoes in selected markets in West Darfur, March to May 2013



Figure 12: The price of mangoes in three markets in West Darfur, March 2012 to May 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

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