

Trade and Market Bulletin West Darfur



Darfur Development and Reconstruction Agency

Covering the Quarter December 2013 to February 2014 • Vol. 2, No. 4 • www.dra-sudan.org • mzakaria065@gmail.com



Headlines:

- During this quarter of December 2013 to February 2014, **cereal** prices have risen. For example, in Kerenik market the average quarterly price of millet was 9% higher than the last quarter, and the average quarterly price of sorghum had risen by 15%, despite this being the time of the cereal harvest. But prices in West Darfur were not as high as in North and Central Darfur due to the cross-border trade in cereals from Chad.
- Generally **livestock** prices have been stable, although vary according to local conditions. The price of cattle and sheep slightly increased in February as traders bought both types of livestock for sale in Omdurman.
- The price of many important **cash crops** increased substantially during the quarter as a direct impact of the poor harvest season. Groundnut prices registered a steady upward trend, unlike the last two years of 2012 and 2013. The price of dried okra and dried tomatoes in all monitored markets noticeably increased as the supply of dried okra was affected by the poor harvest, and the supply of dried tomatoes was affected also by pest infestation. However, the prices of both dried okra and dried tomatoes in West Darfur were lower than in North and Central Darfur.
- Onion prices decreased sharply in all monitored markets during the quarter in response to the seasonal harvest. Fresh tomatoes were available in all monitored markets as the seasonal harvest became available.
- In terms of **trade routes**, insecurity in both North and South Darfur affected the main trade routes leading into the state, blocking the trade route connecting Nyala, Zalingei and Geneina for almost two weeks. As a consequence fuel almost ran out in Geneina (which supplies the rest of the state) and transportation costs increased. A higher burden of taxes and fees have been imposed on trucks using the Omdurman/Geneina trade route since January 2014, under the new annual budget for West Darfur state for 2014.
- This quarter coincided with the winter agricultural season Daily labourers were employed in activities such as chopping of sugar cane, harvesting onions and planting areas under irrigation. Brick-making and construction were other sources of income generation.

Recommendations:

- There needs to be close monitoring of household food security in West Darfur as cereal prices rise and, according to the Ministry of Agriculture, Animal and Natural Resources, the state has a 38% cereal consumption deficit this harvest season (2013/14)¹.

¹ Post-harvest report 2013/14, Ministry of Agriculture, Animal and Natural Resources.

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]

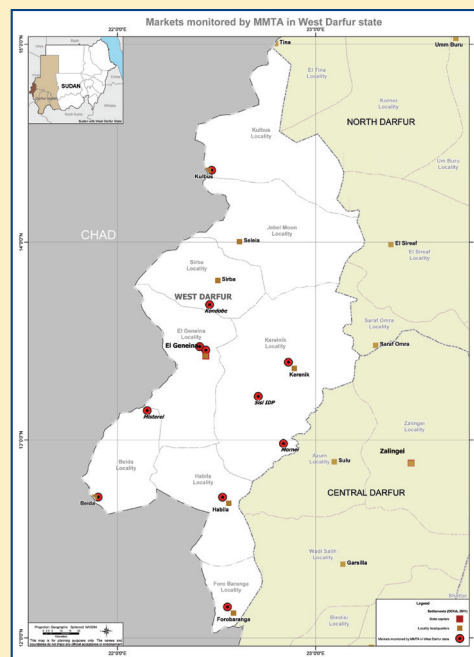
Pioneers of Peace and Development Organization (PPDO) [Mornei and Kirinding IDP camp]

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

Cereal prices were stable but high this quarter in most of West Darfur's monitored markets, although millet prices dipped a little in some markets in January, the main month of the cereal harvest. See Figures 1 and 2. This was because farmers sold some of their crop to cover the costs of harvesting and other obligations. Millet prices increased again in February, reflecting the fact that this has been a poor harvest, exacerbated by pest infestation in some areas of the state.

In Kereinik market, which is a major millet production area, the average quarterly price of millet was 9% higher this quarter compared to last quarter, and the average quarterly price of sorghum in Kereinik was 15% higher, despite this quarter being the harvest season. See Figure 3. However, it is worth noting that cereal prices in West Darfur were not as high as prices in North and Central Darfur. This was due to the impact of informal cross-border cereal trade from Chad supplying border markets in West Darfur, such as Tendelti, and then onto other markets in the state. It is also due to better security in West Darfur. The average quarterly millet price in Geneina was SDG 282; in Zalingei, Central Darfur, it was SDG 326; and in Al Fashir, North Darfur, it was SDG 398. See Figure 4.

The lowest average quarterly price for millet was SDG 238 recorded in Seleia market, a production area in the north of the state. The highest quarterly average price was SDG 329 recorded in Forobaranga, a cash crop-producing area in the south of the state. On average prices were 38% higher in Forobaranga market compared to Seleia. This is partly because Forobaranga was affected by the ban by the Chadian authorities on exporting cereals to Sudan, and cereals from Forobaranga were also transported to Nyala, South Darfur. As mentioned last quarter, the price of millet remained higher than expected in Kulbus, an area of high millet production, because the poor harvest season reduced supply. High demand for millet and insecurity in the Saraf Omra area also contributed.

According to the state Ministry of Agriculture, West Darfur had a cereal consumption deficit of 38% this harvest season (2013/14), and cereal production declined by 29% compared to last season (2012/13)². This is consistent with MMTA project findings that the poor rainy and agricultural season of 2013/2014 pushed up cereal prices, although of course the impact of inflation also has to be taken into account.

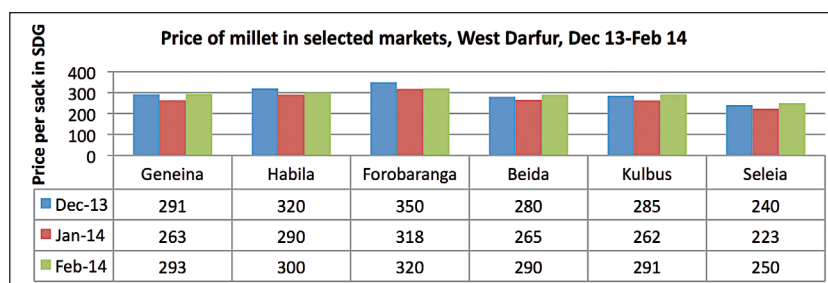


Figure 1: Price of millet in selected markets, West Darfur, December 2013-February 2014

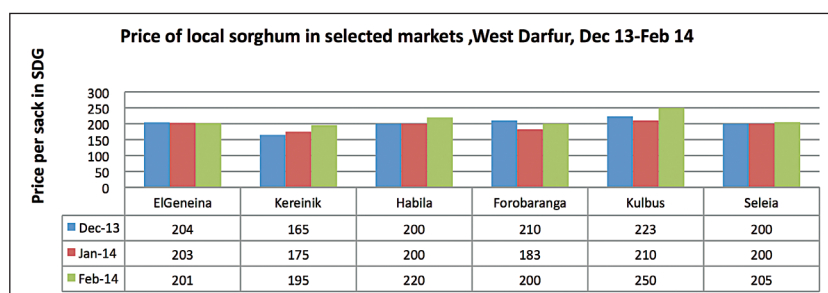


Figure 2: Price of local sorghum in selected markets, West Darfur, December 2013-February 2014

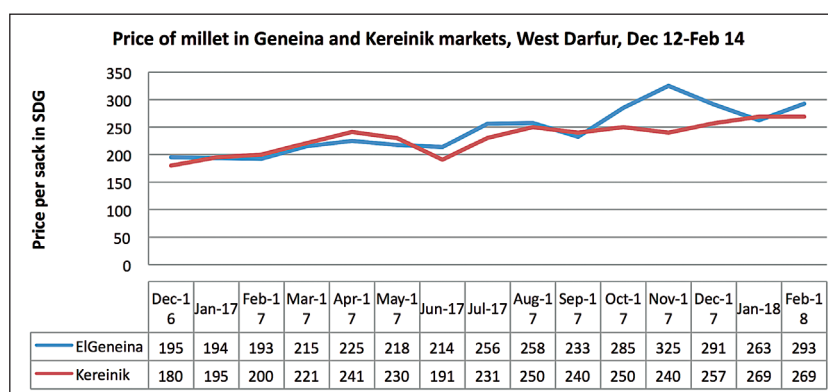


Figure 3: Price of millet in Geneina and Kereinik markets, West Darfur, December 2012-February 2014

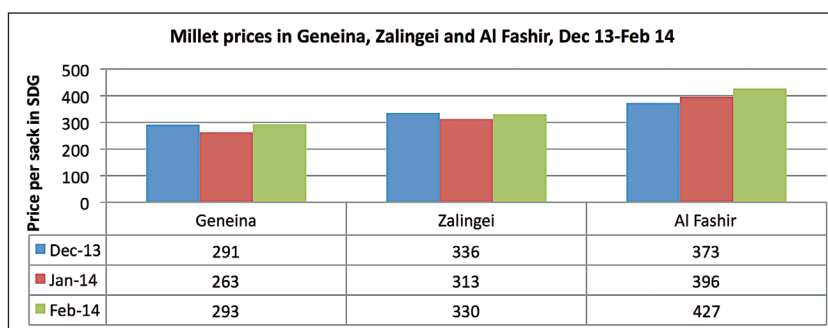


Figure 4: Millet prices in Geneina, West Darfur; Zalingei, Central Darfur; Al Fashir, North Darfur, December 2013-February 2014

² Post-harvest report 2013/14, Ministry of Agriculture, Animal and Natural Resources.

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Livestock

Livestock prices varied from one market to another according to local conditions, but were generally fairly stable in most monitored markets and did not differ much from last quarter. As with the previous quarter, the movement of livestock within the state searching for pasture and/or secure areas impacted availability and prices locally. For example, livestock from Um Dukhun, Central Darfur, continued to congregate around Forobaranga market due to the localised conflict in the Um Dukhun area.

In February sheep prices in Geneina, Kereinik and Kulbus increased slightly as agents of big traders from Omdurman, and some local traders, started to buy sheep for export which pushed sheep prices up. See Figure 5. Cattle prices in both Geneina (a main consumption market) and Forobaranga (a major cattle market) also increased slightly in February as large cattle traders from Omdurman bought more cattle from West Darfur. See Figure 6. The long term trend in livestock prices is one of stability, or possibly a slight decline in real terms taking account of inflation.

The price of export camels in Forobaranga market increased steadily over the quarter, as agents of camel traders started to buy up camels. As mentioned in previous bulletins, most of the export camels are destined for Egypt rather than Libya where trade relations remain difficult. See Figure 7.

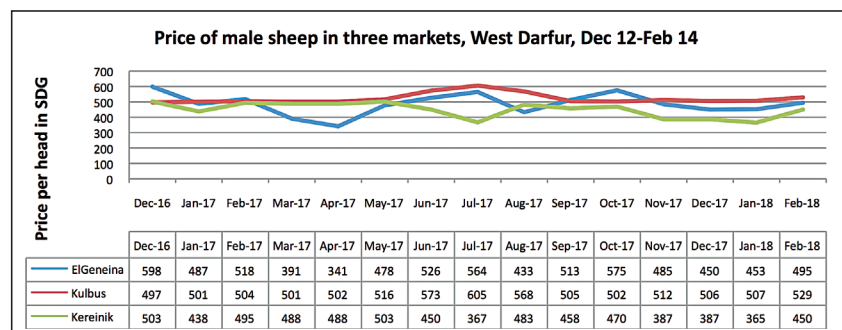


Figure 5: Price of male sheep in three markets, West Darfur, December 2012-February 2014

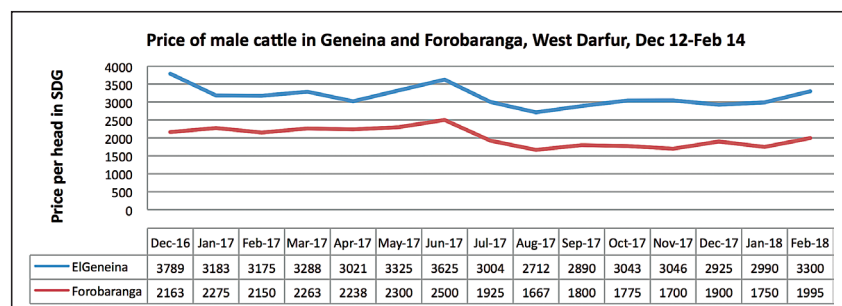


Figure 6: Price of male cattle in Geneina and Forobaranga, West Darfur, December 2012-February 2014

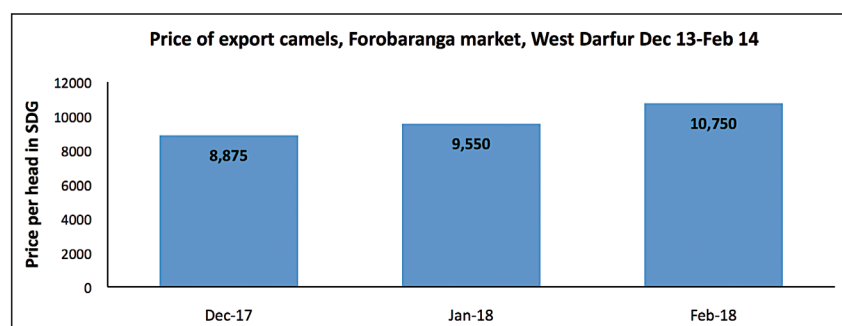


Figure 7: Price of export camels, Forobaranga market, West Darfur, December 2013- February 2014

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Cash Crops

Cash crop prices demonstrated an upward trend in almost all monitored markets. Reasons for this include the impact of the poor harvest season, the appearance of pest infestations, and early grazing by pastoralist livestock moving south because of lack of pasture which may have negatively affected production.

Groundnut prices in most markets increased quite steeply, unlike the same time a year ago when prices were low and unusually fell after the harvest. The rise in prices this year is due to poor production as a result of the poor rainy season, while local demand for groundnuts and groundnut cake has remained high. See Figure 8.

The price of dried okra increased sharply this quarter in most monitored markets, which reflects the poor harvest season this year and possibly early grazing by pastoralist livestock. The price of dried okra in Geneina market in February was seven times higher than the price twelve months earlier, in February 2013. See Figure 9. There was also a noticeable increase in the price of dried tomatoes in almost all markets, again the impact of the poor harvest season but also the result of pest infestation in the Jebel Marra area, the major tomato producing area. Nonetheless, the prices of both dried okra and dried tomatoes were lower in West Darfur

compared to both North and Central Darfur. This was because West Darfur receives supplies from some markets inside Chad through cross-border trade, and some areas such as Forobaranga produce small quantities of dried okra.

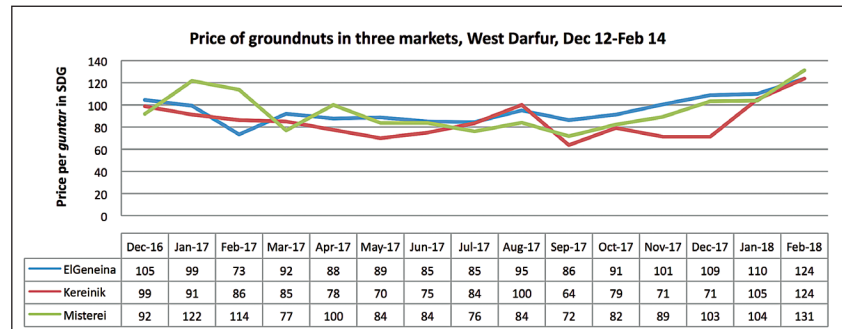


Figure 8: Price of groundnuts in three markets, West Darfur, December 2012-February 2014

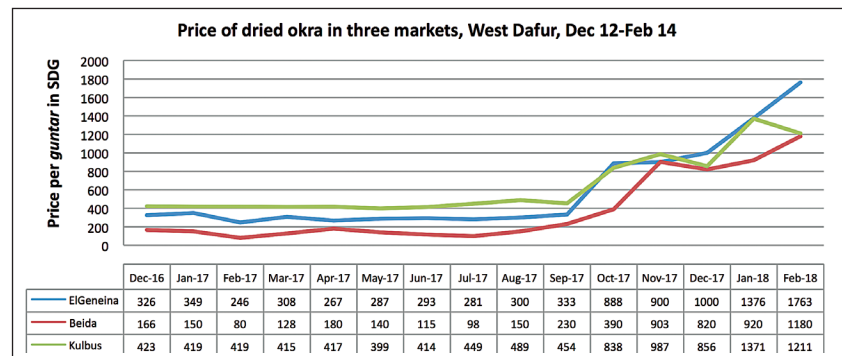


Figure 9: Price of dried okra in three markets, West Darfur, December 2012-February 2014



Fruits and Vegetables

Onion prices decreased dramatically in January and February in all monitored markets across West Darfur because of the seasonal harvest. See Figure 10. However, prices were unusually high in Geneina and Forobaranga markets between October and December 2013 due to insecurity in the onion-producing Saraf Omra region. See Figure 11. Onions are perishable products available for a relatively short period and therefore vulnerable to seasonality. There are no paved roads to assist with transporting them to other markets outside of state borders. Likewise the price of fresh tomatoes fell a little in most markets as they became seasonally available.

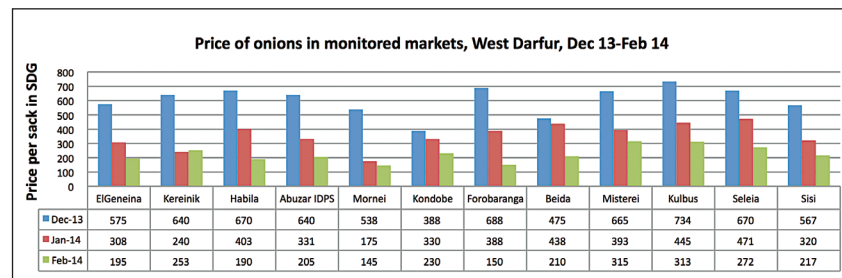


Figure 10: Price of onions in monitored markets, West Darfur, December 2013-February 2014

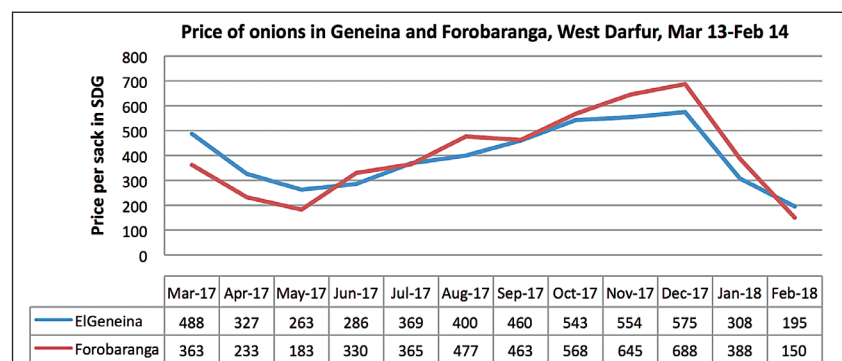


Figure 11: Price of onions in Geneina and Forobaranga markets, West Darfur, March 2013-February 2014

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Transportation: Access and Costs

In terms of transportation routes within the state, there were no major changes in West Darfur this quarter. However some important trade routes that are used to bring essential commodities into the state were affected by insecurity that flared up in both North and South Darfur. As a result the trade route connecting Omdurman with Geneina via El Nuhood/Nyala/Zalingei was blocked for almost two weeks. See Table 1. As a consequence of the blocked trade route, fuel (gasoline and benzene) almost ran out in Geneina, which supplies the rest

of the state. Transportation costs increased from 56,430 SDG at the beginning of this quarter to 64,046 SDG at the end of this quarter. This also caused prices to rise in Geneina market (although transport costs were higher in September/October 2013 compared to February 2014 because it was the end of the rainy season). Particularly noticeable is the sharp increase in state-level taxes and fees – for example fees charged by the state Ministry of Finance more than doubled between December 2013 and February 2014 – as the state government seeks to raise revenues.

Table 1: Total transportation cost (SDG) per truck (27t) from Omdurman to Geneina including fees and taxes

Items	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
1. Truck rent from Geneina to Omdurman	55,000	55,000	50,000	45,000	43,000	46,000
2. Manifesto tax	2,110	2,100	2,100	2,100	2,700	2,500
3. Businesses profit tax	800	800	800	800	1,000	1,100
4. Value added tax	900	900	900	900	1,100	1,100
5. Sudanese Meteorology and Standards	200	200	200	300	400	500
6. State Ministry of Finance fees	1,100	1,200	1,250	1,500	5,300	5,500
7. Taxation paid to consumer	700	750	750	700	750	800
8. Locality fees	10	10	10	10	10	10
9. Departure fees	70	70	70	70	85	85
10. Checkpoint fees Nyala to El Geneina	750	750	750	600	750	750
11. Expenditures from Omdurman to Geneina	2,500	3,000	3,500	2,500	2,700	2,900
12. Ed Daein borsa fees	300	350	350	400	500	600
13. Nyala borsa fees	350	450	450	450	700	750
14. Zalingei borsa fees	250	250	300	350	400	500
15. Convoy fees paid for security	750	750	1,000	750	950	950
Total costs	65,790	66,580	62,430	56,430	60,345	64,045

Daily Labouring

Regarding daily labouring opportunities in West Darfur for this quarter, winter agriculture activities, including activities on irrigated farms activities were the two main sources of income

generation for many people. These were in addition to traditional opportunities such as brick-making, construction activities and domestic service for town inhabitants.



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Feinstein International Center

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

1. Ministry of Finance, Economy and Civil Service
2. Ministry of Agriculture, Animal and Natural Resources

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