

Trade and Market Bulletin Greater Darfur Region

Darfur Development and Reconstruction Agency



Covering June to August 2015 • Vol. 1, No. 3 • www.dra-sudan.org • mzakaria065@gmail.com



Regional Headlines

- Due to the late and then poor rainfall, cereal prices (millet in particular) started rising in August 2015 in most monitored markets across Darfur. The exception was West Darfur where prices were stable.
- Livestock prices (sheep, goats and cattle) differed from market to market across Darfur according to local conditions, except in West Darfur where prices were stable.
- As the harvest season phased out the price of cash crops (groundnuts and dried tombac in particular) showed an upward trend in most of the state capitals. The price of dried okra and dried tomatoes rose this quarter due to poor rainfall and the subsequent expectation of a poor harvest.
- Fruit and vegetable prices, mainly onions and fresh tomatoes, continued increasing during this quarter across Darfur, and fresh tomatoes were unavailable in many markets.
- The calmer security situation across Darfur this quarter increased the stability of trade routes and the number of checkpoints along some of the main routes decreased accordingly. However this had no impact on transportation costs, except in West Darfur where costs fell a little.



Fruit and Vegetables

The phasing out of the harvest season this quarter directly impacted fruit and vegetable prices. The price of onions continued increasing in most of Darfur's state capitals this quarter and hit its highest level since January 2015. See Figure 1. The price of fresh tomatoes also sharply increased and some markets across Darfur (primary markets in particular) reported the unavailability of fresh tomatoes.

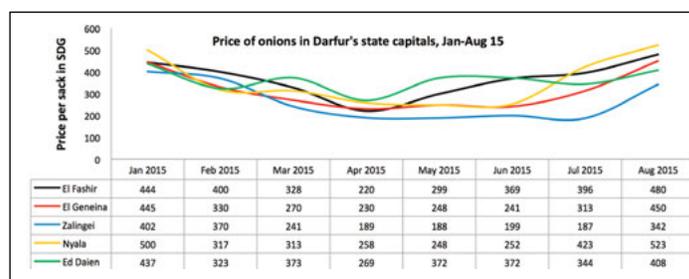


Figure 1: Price of onions in Darfur's state capitals, January to August 2015.

Background and methodology

The goal of this community-based market monitoring project 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. Through a network of 46 national CBOs/ NGOs, DDRA is monitoring 73 markets across all five Darfur states. 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. DDRA holds quarterly analysis workshops with the CBO enumerators in each state, and the findings are written up as quarterly 'Headline' documents for each state. This trade and market bulletin for the Greater Darfur Region is written and disseminated after the headline documents. It summarises the analysis at state-level and comments on inter-state trade.

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Cereals

During this quarter cereal prices (millet and sorghum) were either stable or fluctuated during June and July across the monitored markets in Darfur. However, prices started increasing in August in all states (except West Darfur) as a result of the late and then poor rainfall which led people to predict a poor harvest and hold onto their stocks.

Some markets in East and South Darfur recorded the highest cereal prices across Darfur this quarter. During August the highest millet price across all the monitored markets was SDG 640 reported in Muhagiria, East Darfur (a cash crop production area) compared to the lowest price of SDG 200 reported in Seleia, West Darfur (a cereal production area), a price differential of SDG 430. The price of millet in Ed Daein, East Darfur, in August was SDG 463, while in Nyala, South Darfur, it was SDG 405. This indicates that prices in East Darfur were higher than in

South Darfur despite both being cash crop production areas.

The quarterly average millet prices in Darfur's main markets during the quarter were: SDG 455 in El Fashir, North Darfur; SDG 435 in Ed Daein, East Darfur; SDG 290 in El Geneina, West Darfur; SDG 308 in Zalingei, Central Darfur; and SDG 360 in Nyala, South Darfur. There is an active cereal trade between certain states, for example between North and East Darfur, and between West and Central Darfur. See Figure 2.

The price of sorghum (both local and food-aid) followed the same trend as millet in most monitored markets that reported availability: stable or fluctuating during June and July; increasing in August.

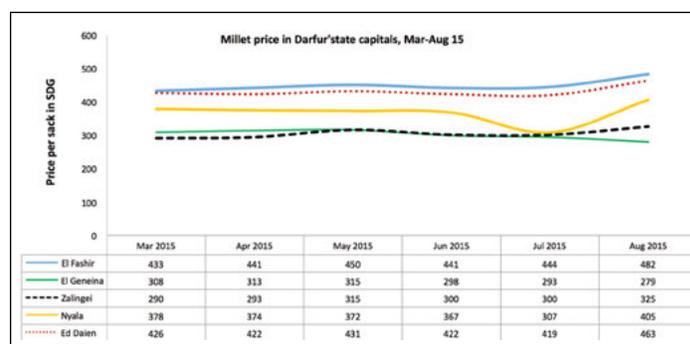


Figure 2: Millet prices in Darfur's state capitals, March to August 2015



Livestock

During this quarter livestock price trends (sheep, goats and cattle) differed from one market to another throughout Darfur, reflecting the seasonal mobility of livestock following water and pasture, normal at this time of year. Prices increased in areas livestock moved away from (El Lait, Malha and El Fashir in North Darfur; Abu Gabra and Seleia in East Darfur) and were stable or decreased in areas around which livestock gathered (Habila, Kulbus and El Geneina in West Darfur; Tabit in North Darfur; Abu Seida and Kelakel in East Darfur).

Some areas reported price increases for male sheep as some traders started to buy sheep for transportation to Omdurman. Abu Gabra in East Darfur reported the highest quarterly average price of male sheep at SDG 869. However, the highest quarterly

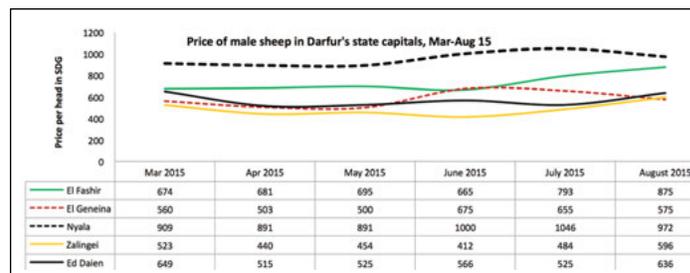


Figure 3: Price of male sheep in Darfur's state capitals, March to August 2015

average price of male sheep out of the five state capitals in Darfur was reported in Nyala, South Darfur (the lowest was reported in Ed Daein, East Darfur at SDG 1,006). Local market conditions such as those created by seasonal migration account for these price variations. See Figure 3.

Cattle prices also fluctuated due to seasonal migration. The highest quarterly average price was reported in Abu Matarig, East Darfur, at SDG 4,278, but the highest quarterly average price out of the five state capitals was reported in Nyala, South Darfur at SDG 3,927. The availability of water along the trade routes linking cattle production and consumption areas facilitated trade flows and thus helped stabilise cattle prices.



Cash Crops

Due to the very late, poor rainfall and the subsequent decrease in supplies to the markets, the price of cash crops showed an upward trend in most of the monitored markets throughout the region, particularly in the state capitals. The exception was El Geneina, West Darfur, where prices were stable. Some primary markets reported the unavailability of some cash crops due to seasonality, as is normal at this time of year.

The highest quarterly average price of groundnuts among the five state capitals in Darfur was reported in El Fashir, North Darfur, at SDG 291 and the lowest quarterly average price was reported in Ed Daein, East Darfur, (a production area) at SDG 244. See Figure 4. The price of groundnuts, dried okra and dried tomatoes increased slightly in most monitored markets, reflecting the reduction in supply due to the late and then poor rainfall and producers subsequently predicting a poor harvest. In

addition, supplies had been shifted from production areas to the state capitals over the course of the year due to insecurity in remote areas, which decreased supplies in the production areas despite continued local demand. Some markets reported some stability in dried okra and dried tomato prices as alternatives became available, such as milk in areas around which livestock gathered, and where fresh okra and fresh tomatoes were available in agricultural and urban areas (the latter mainly in West Darfur). Overall, however, the late and then poor rainfall was the primary reason for the increase in cash crop prices.

The price of dried tobac reported an upward trend across the main tobac markets in Darfur, which are mainly in North Darfur (El Fashir, Tawilla, Zamzam and Tabit) indicating the poor flow of wadis in the tobac-producing areas. See Figure 5.

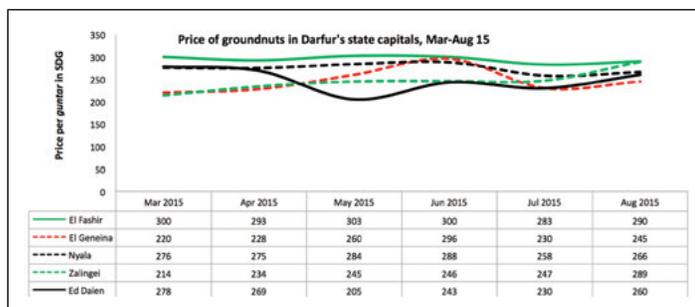


Figure 4: Price of groundnuts in Darfur's state capitals, March to August 2015

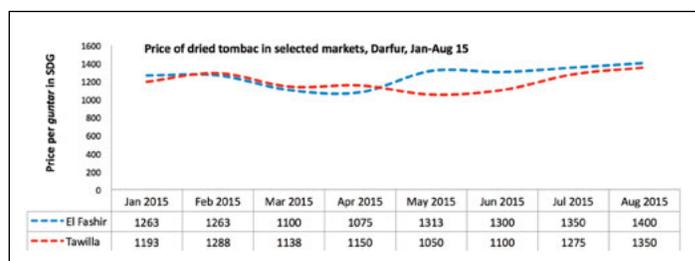


Figure 5: Price of dried tobac in selected markets in Darfur, January to August 2015

Daily Labour

Despite the late and then poor rainfall, the main daily labouring opportunities this quarter were in agricultural operations

(particularly planting). Daily rates differed between states according to local conditions.

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Trade Routes and Transportation Access

Due to improvements in the security situation throughout Darfur this quarter, the main trade routes across the region (both those within states and those connecting states) were stable and running well. The number of checkpoints on some trade routes reduced. For example, the number of checkpoints along the route that connects El Fashir in East Darfur to Kutum in North Darfur fell from 34 checkpoints recorded last quarter (March to May 2015) to none this quarter. Trucks (in convoy) started to use this route instead of using the alternative Omdurman-Hamrat Al-Shakh-Malha route.

The following trade routes were stable this quarter: the Ingaz route; El Fashir to Saraf Omra through Kutum and Kebkabiya then to El Geneina in West Darfur; El Fashir-Nyala-Zalingei then to El Geneina; the railway connecting Omdurman to Nyala in South Darfur. The trade route connecting Ed Daein to Omdurman through El Lait was still closed due to tribal conflict

between the Malia and the Rizigat, as was Omdurman to Al Tina through Hamrat Al-Shakh to Malha due to the large number of checkpoints. The latter route changed to follow the Ingaz trade route to El Fashir then to Al Tina through Kutum.

Despite this quarter being the rainy season most of the main trading routes in the region were functioning well with only a few restrictions because of *wadi* flows, an indication of the low levels of rainfall this quarter. The security situation was at its most stable since the Darfur conflict broke out and trade routes were functioning well as a result. However this does not appear to have impacted transportation costs. The exception to this was in West Darfur where some costs reduced due to use of the Ingaz trade route since March 2015, rather than going through Ed Daein. (Thus, for example, Ed Daein borsa fees were no longer applicable – see Table 1). Table 1 below shows the large number of taxes paid by trucks in Darfur, with these costs ultimately being passed onto consumers.

Transportation costs from Omdurman to El Geneina (truck of 27 tons)

| No | Months | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 |
|----|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | Truck rent from El Geneina to Omdurman | 36,000 | 38,000 | 40,000 | 41,000 | 42,000 | 42,000 | 48,000 | 45,000 | 35,000 |
| 2 | Manifesto tax | 2,000 | 2,100 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| 3 | Business profit tax | 1,100 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 4 | Value added tax | 1,100 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,300 | 1,300 | 1,300 |
| 5 | Sudanese meteorology and standards | 200 | 300 | 300 | 300 | 300 | 300 | 300 | 300 | 300 |
| 6 | State Ministry of Finance fees | 2,700 | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 | 3,900 |
| 7 | Taxation paid to consumer | 1,400 | 1,600 | 1,600 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| 8 | Locality fees | 260 | 260 | 260 | 260 | 260 | 260 | 260 | 260 | 260 |
| 9 | Departure fees | 87 | 178 | 178 | 178 | 178 | 178 | 178 | 178 | 178 |
| 10 | Checkpoint fees - Nyala to El Geneina | 700 | 700 | 700 | 700 | 700 | 700 | 900 | 900 | 900 |
| 11 | Expenditure in route from Omdurman to El Geneina | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| 12 | Ed Daein borsa fees | 300 | 400 | 400 | | | | | | |
| 13 | Nyala borsa fees | 450 | 715 | 715 | 715 | 715 | 715 | 450 | 450 | 450 |
| 14 | Zalingei borsa fees | 300 | 450 | 450 | 450 | 450 | 450 | 300 | 300 | 300 |
| 15 | Convoy fees paid for security | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 |
| 16 | Total costs (SDG) | 51,047 | 55,453 | 57,553 | 58,053 | 59,053 | 59,053 | 64,938 | 61,938 | 51,938 |

Table 1: Transportation costs from Omdurman to El Geneina, West Darfur (truck of 27 tons)



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DDRA has a technical agreement with a number of ministries in each Darfur state: North, West, Central, South and East



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