

Trade and Market Bulletin North Darfur



Darfur Development and Reconstruction Agency

Covering the Quarter June to August 2012 • Vol. 2, No. 3 • www.dra-sudan.org • mzakaria065@gmail.com



Headlines

- Cereal prices stabilized or fell in almost all monitored markets in North Darfur, attributed to the good rainy season and prospects of a good harvest. Livestock prices fell in some markets and fluctuated in others. Overall, the terms of trade between cereals and livestock has improved in many monitored markets.
- Exceptionally heavy rains and flooding in June 2012 caused heavy livestock losses in Malha locality.

- Few monitored markets reported the availability of cash crops such as groundnuts and sesame, a continued consequence of the poor agricultural season and insecurity in the main production areas in North Darfur in 2011/2012. The price of tombac continued to fall, reflecting poor market conditions in the traditional areas of consumption – Blue Nile and South Kordofan states, and in South Sudan – as well as a promising harvest expected in 2013 while large stocks remain in store from the last harvest.
- A new site has opened for opportunistic gold prospecting in El Seraif locality, drawing some people away from traditional livelihood activities of farming and herding in the area.
- The major direct trade route linking Kebkabiya and El Fashir (through Kawrra and Tawilla), which has been closed for seven years, re-opened when the alternative route through Kutum closed in August. Heavy rainfall periodically closed many routes in North Darfur, disrupting trade and causing transport costs to rise.

Recommendations

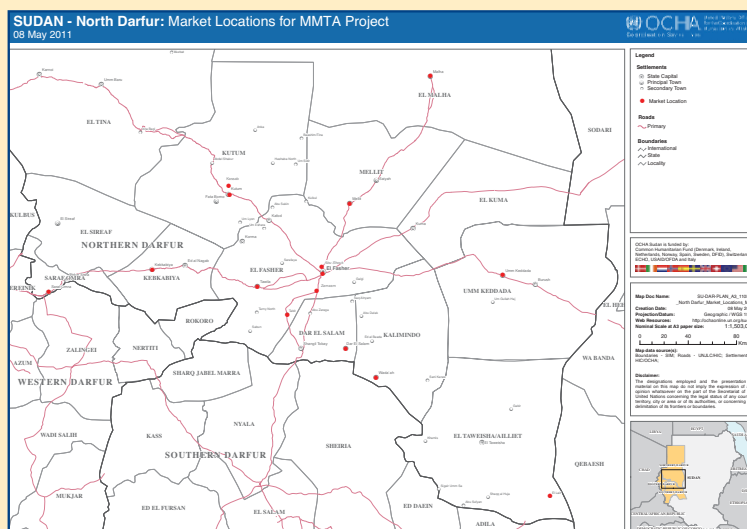
- A livelihoods assessment should be carried out in the Malha area to assess the impact of the high livestock mortality due to flooding in June 2012, on the livelihood and food security of different socioeconomic groups, and to determine whether interventions are needed.

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 (June to August 2012) cereal prices in most monitored markets were stable or fell, especially in August 2012. See Figure 1. The main reason is the good rainfall season in 2012: the rains started early in June 2012, rainfall levels were relatively high and well-distributed. Also there was no serious incidence of harmful pests. The next harvest is therefore expected to be good, and cereals that had been stored in reserve have been released onto the market by traders, farmers and consumers causing prices to fall. Other factors that may have influenced cereal prices and caused them to fall include: the continued trade embargo during the quarter between Sudan and South Sudan (as mentioned in the last bulletin), and free food aid distribution and implementation of food for work schemes by WFP, for example in Mellit, Kutum, Um Kadada, Dar Alsalam and Tawilla. The price of food aid sorghum has fallen more sharply than the price of millet during the quarter – see Figure 2. In Kutum, for example, in response to the attacks that took place on 1st August 2012, humanitarian aid, including food aid sorghum, was distributed both to IDPs in camps and to residents in the town: sorghum prices fell by 82% between July and August 2012. See Figure 3. Taking inflation into account the real fall in price is even greater than the nominal fall in price indicated in the graph.

A number of localized factors have influenced cereal prices within individual markets, for example:

- In Malha millet prices remained more or less stable during the quarter, thought to be due to the lack of cereal stocks in Malha which mean they have not been released onto the market unlike the experience in other markets in North Darfur. Also, the main trading route between Malha and

Omdurman was closed by heavy rain for almost a month during the quarter driving up prices.

- Millet prices remained stable in Kebkabiya market and rose in Seraf Omra between June and July. This is thought to be a consequence of high local demand for cereals from gold prospectors in the newly discovered gold prospecting site of Jabal Amir.

The terms of trade between cereals and livestock stabilized or improved during this quarter in most monitored markets in North Darfur. This reflects stable or rising livestock prices and falling cereal prices. The terms of trade in Malha market has shown a steady improvement during the quarter – see Figure 4 – and a marked improvement since the end of 2011/ beginning of 2012 when the sale of a male goat only covered 30% of the price of a sack of millet; in this latest quarter of June to August 2012 it covered 60% of the price of a sack of millet. See Figure 5 (but also the section on livestock below which explains one reason for the rise in livestock prices in Malha).

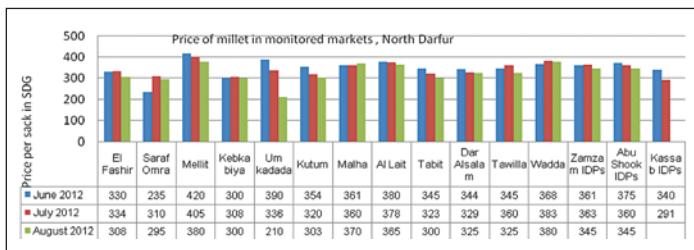


Figure 1 Millet prices in selected markets in North Darfur, June to August 2012

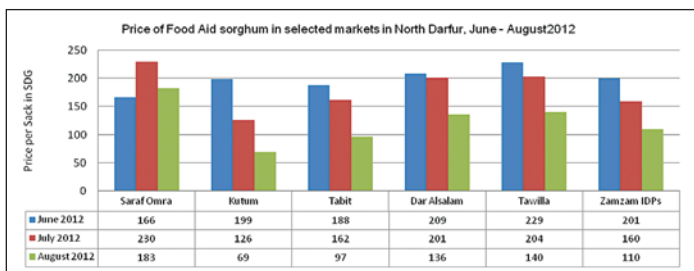


Figure 2 Food aid sorghum prices in selected markets in North Darfur, June to August 2012

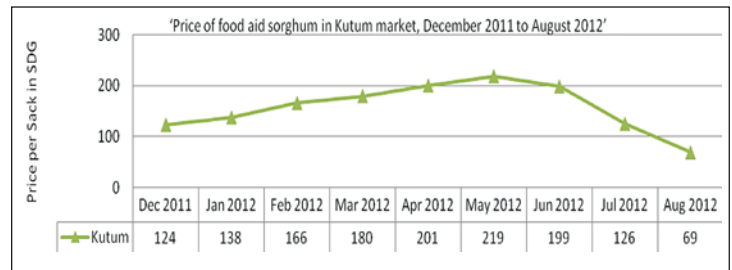


Figure 3 Price of food aid sorghum in Kutum market, December 2011 to August 2012

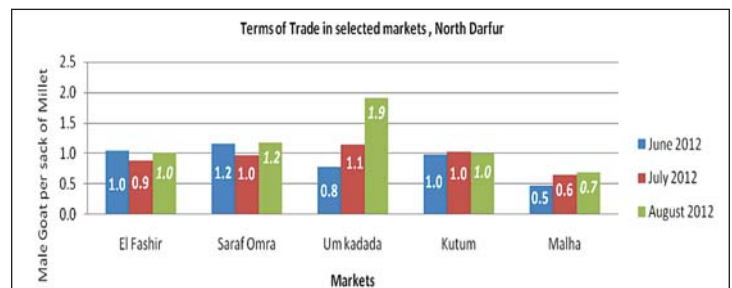


Figure 4 Terms of trade (goats for millet) in selected markets in North Darfur, June to August 2012

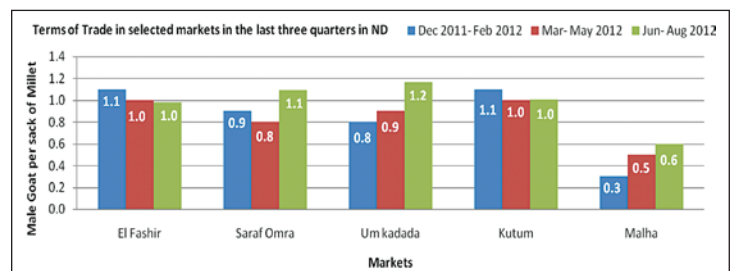


Figure 5 The average terms of trade per quarter (goats for millet) in selected markets in North Darfur, December 2011 to August 2012

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Kebkabiya, Mellit, Kutum, Waddaa and Zamzam registered small increases in livestock prices during the quarter, probably because most livestock were moved away from the towns during the rainy season to take advantage of more distant pasture and water sources, a normal seasonal trend. In Malha there may be an additional reason for the rise in livestock prices: unusually heavy rainfall in June 2012 (Malha received 104 mm on 25 June 2012, while its average annual rainfall has been around 190 mm per year in

Livestock

Livestock prices rose in most markets but fluctuated or fell in some, usually due to localized factors. For example in El Fashir market cattle prices fell sharply in August as large numbers of *korri* cattle were supplied to the market from South Darfur. (This is a normal seasonal trend: *korri* cattle are traded within Darfur and are not generally exported). The price of sheep and other livestock fell in Dar Al Salam market. This is believed to be due to large numbers of livestock being brought to the Dar Al Salam area which had particularly good pasture during the rainy season was relatively secure. In contrast, markets such as Um Kadada,

the last decade) caused very heavy livestock losses.. Estimates of losses provided by the locality authorities are alarmingly high.

The breed of sheep reared in the eastern part of North Darfur, the *hamary* breed, is regarded as superior to the *zaghawa* breed of sheep reared in the western part of the state, and is therefore preferred for export. This is reflected in the price. The quarterly average price in Kebkabiya and Kutum markets was respectively 47% and 44% lower than the quarterly average price in Um Kadada market between June and August 2012.

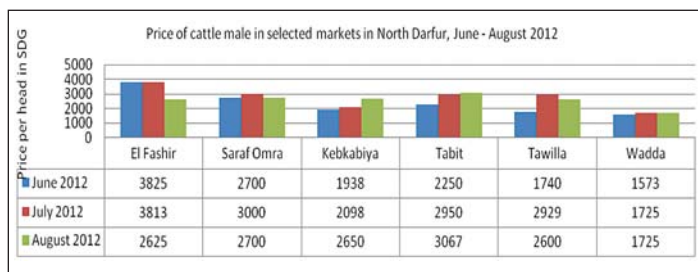


Figure 6 Price of male cattle in selected markets in North Darfur, June to August 2012

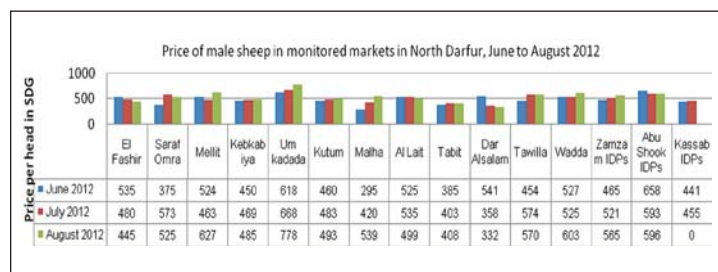


Figure 7 Price of male sheep in monitored markets in North Darfur, June to August 2012

Natural Resources, Income Generating Activities and Gold Prospecting

During this quarter natural resources such as dry grass, firewood and charcoal were not sold in many of the monitored markets in North Darfur; collecting and selling these natural resources is a dry season livelihood activity and has been replaced by farming activities during this quarter. Also, green grass was available early this rainy season, from June 2012. The good rains stimulated demand for agricultural labour. The wage rate for daily labouring rose from around SDG 10 to 15 per day in the last quarter (March to May 2012) to around SDG 30 per day between June and August for agricultural work. Some daily labouring activities such as brick-making are suspended during the rainy season.

In addition to the seven sites that are already active for gold

prospecting in North Darfur (as described in previous bulletins) an additional site has opened recently, in Jabal Amir in Seraif locality, approximately 30 km north east of Saraf Omra and 40 km north west of Kebkabiya. It already hosts a large number of opportunistic gold prospectors from different parts of Sudan and from other countries: an estimated 25,000 people according to the Seraif locality authorities. As with other sites, a small local economy has developed in Jabal Amir to service the gold prospectors, and the mix of groups working together on gold prospecting may provide opportunities for peace-building. However, the site is also acting as a magnet drawing local people in Saraf Omra, Kebkabiya and Al Seraif localities away from traditional livelihood activities of farming, herding and trading.

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Cash Crops

As reported in the last bulletin, few monitored markets reported the availability of cash crops, for the same reasons as the last quarter: the poor agricultural season and insecurity in the main production areas in North Darfur in 2011/2012. In markets where groundnuts were available the price remained stable or fell slightly during this quarter, probably reflecting low demand, and the price of cooking oil also stabilized during the quarter. See Figure 8. The price of some other cash crops such as dry okra and dry tomato fell during the quarter following normal seasonal trends.

The price of dry tombac fell in August 2012. See Figure 9.

There are a number of contributing factors: a promising harvest expected in 2013, large stocks in store from the last harvest as well as depressed demand due to trade restrictions with South Sudan, Blue Nile and South Kordofan, all major consumption areas for tombac from North Darfur. No gum arabic was available in any of the monitored markets during the quarter, except in June in Alliat market; this is a normal seasonal trend because it is off-season.

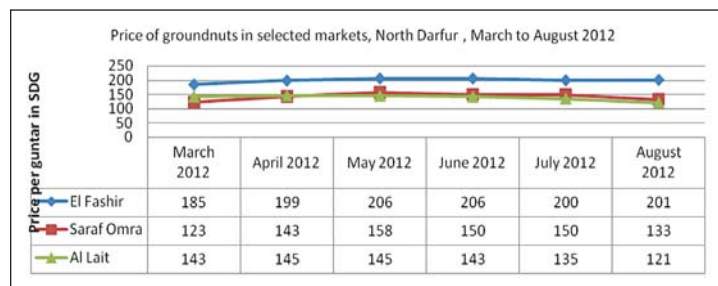


Figure 8 Price of groundnuts in selected markets in North Darfur, June to August 2012

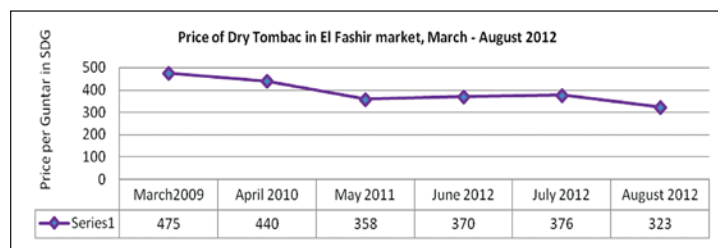


Figure 9 Price of dry tombac in El Fashir market, March to August 2012



Transportation: Access and Costs

A major development this quarter is the re-opening of the trade route connecting El Fashir with Saraf Omra and Kebkabiya through Kawra and Tawilla, which has been closed for the last seven years forcing traders and passenger vehicles to use the longer route through Kutum and Kafout. The Kutum route closed

due to conflict in August. However, trade between Saraf Omra/ Kebkabiya and El Fashir is so significant that this triggered the re-opening of the more direct route. This more direct route is now controlled by border guard troops between Kebkabiya and Iddal Nabik, with 8 check points along this stretch of the road, each charging SDG 100 per truck. One of the non-signatory rebel movements controls the stretch from Iddal Nabik to Tawilla where further charges are applied. This shorter route saves time and fuel although checkpoint fees are high.

Almost all major trade routes in and out of North Darfur markets have been severely affected by heavy rainfall during the quarter, for example between Omdurman and Malha, Omdurman and El Fashir and El Fashir and Nyala, pushing up transport costs. For example, the cost of transporting a sack of sugar from Khartoum to El Fasher increased 100%, from SDG20 per sack to SDG40 per sack during this quarter.

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Fruits and Vegetables

There was an upwards trend in fruit and vegetable prices across all monitored markets during the quarter. This is a normal seasonal pattern particularly affecting onions and tomatoes, but it may have been exacerbated in areas of consumption as heavy rainfall periodically blocked certain trade routes, for example between Kutum and El Fasher. See Figure 10 which shows price increases of over 400% for tomatoes sold in El Fasher and Kutum between April and August 2012, a period of just four months. Similarly, the price of onions in Kutum increased by 79% between April and August 2012.

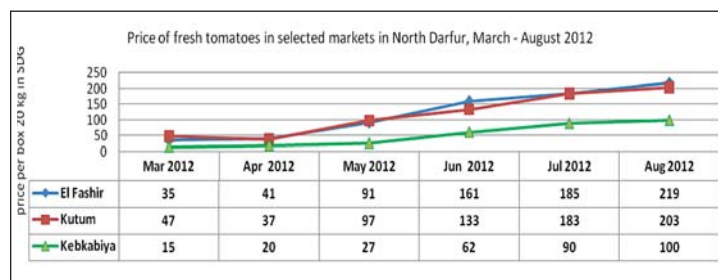


Figure 10 Price of fresh tomatoes in selected markets in North Darfur, March to August 2012

As recommended in previous bulletins, the conditions in Darfur are ripe for exploring the potential for processing fruit and vegetables in Darfur, especially tomatoes, to avoid these large seasonal fluctuations in price.

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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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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