

Trade and Market Bulletin North Darfur



Darfur Development and Reconstruction Agency

April 2011 • Vol. 1, No. 1 • www.dra-sudan.org • mohamedharoun12@yahoo.com

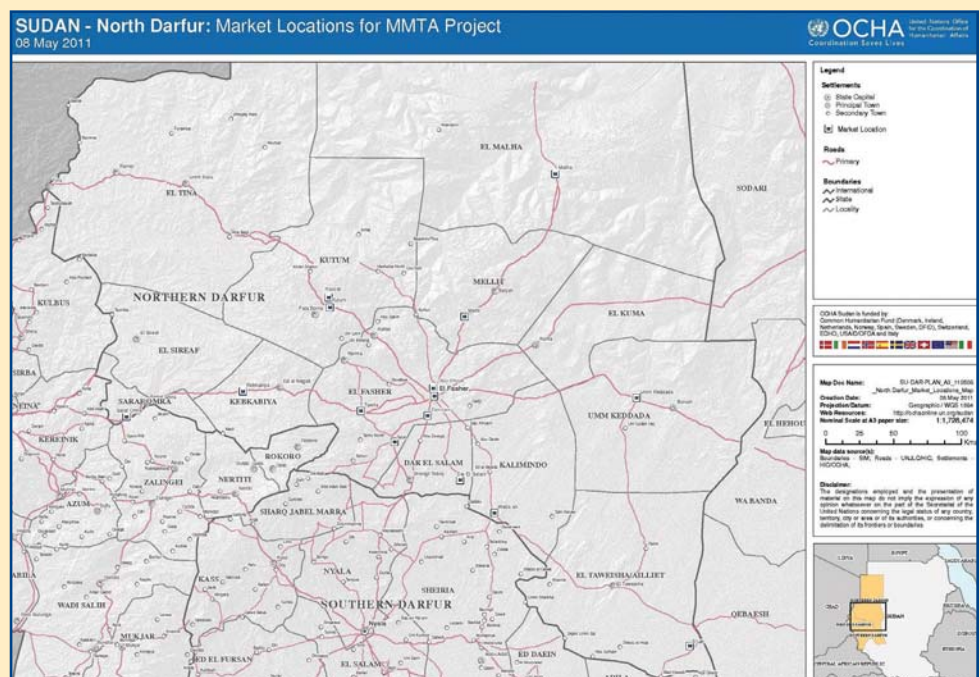


Highlights

- High cereal prices and low livestock prices in Malha are indicators of deteriorating food security. This needs to be monitored carefully in the coming months to determine if an emergency intervention is required
- January/ February is just after the harvest when cereal prices are at their lowest. In markets close to areas of good production, for example El Fasher and Seraf Omra, the price of millet is lower in 2011 compared with the same months in 2010. But it is higher in areas of poor production in 2011 compared with 2010, for example in Umm Keddada.
- A number of trade routes have shifted during the conflict years to avoid areas of insecurity. This usually means replacing direct routes with longer more circuitous routes, incurring higher transport costs. During January/ February some livestock trade routes changed temporarily in response to recent conflict dynamics, pushing prices up in the market of destination, for example cattle in Kutum and in Tawila.
- Transport costs between markets in North Darfur, for example between Seraf Omra, a major area of agricultural production, and El Fasher, a major area of consumption represent a large and increasing (compared with pre-conflict) proportion of market prices. This causes large price differentials between markets and is an indicator of how the conflict has affected the flow of commodities. It is also an indicator of serious market inefficiencies hampering Darfur's economy during the conflict years

Participating CBOs

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





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.

The project is managed by the national NGO, DRA, and implemented through a network of seven community-based organisations monitoring fifteen markets across North Darfur on a weekly basis – see map below. The project is supported with technical advisory inputs provided by the Feinstein International Center of Tufts University, and is funded by DFID and UNEP. The approach and outputs are being piloted in North Darfur and will eventually be extended to West and South Darfur in that order.

Introduction to the project

Trade is the lifeblood of the economy of the Darfur region and one of the main ways in which different livelihood groups interact. Normal trading patterns have been severely disrupted by the conflict, in turn impacting on livelihoods and on the wider economy of Darfur, but these dynamics are still poorly understood. The goal of this community-based market monitoring

This bulletin presents the findings and analysis of the first two months of market monitoring in January and February 2011. It captures key trade dynamics at the beginning of 2011. As the project gathers momentum and builds its analytical capacity and database, later bulletins will make recommendations for action, to support livelihoods and to shore up Darfur's economy.



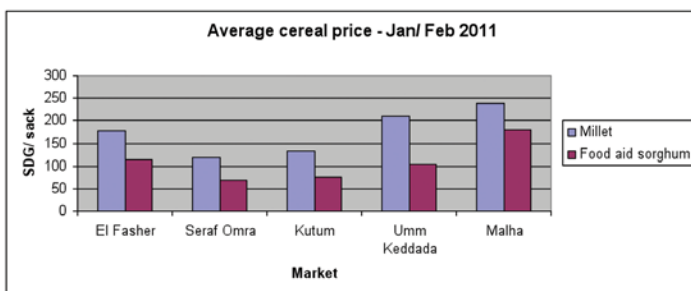
Cereals

The price of locally produced millet in January and February 2011 is lower in some markets compared with the price in January and February 2010, for example in El Fasher and Seraf Omra – a reflection of more favourable rains and a better harvest in 2010/11. However, in markets such as Umm Keddada and Kutum the price is higher in 2011 compared with 2010.

Figure 1 shows cereal prices in some of the main markets in North Darfur in January and February 2011. The price differential between markets is large. For example, millet prices are 50% higher in El Fasher market, a major area of consumption, compared with Seraf Omra, a

major area of production. The price differentials between markets are substantially greater than price differentials recorded before 2002, an indication of the extent to which the conflict has affected the flow of cereals between markets and has forced up transport costs.

The high cereal prices in Umm Keddada and Malha are of concern from a food security point of view. Millet is more than SDG200 per 90kg sack in both markets. This reflects poor production in the Umm Keddada area due to the failure of the rains and pest infestation (grasshoppers and millet headworm) in eastern Darfur during the 2010 agricultural season. In Malha, even food aid sorghum was very costly – SDG 180 per sack in January, compared with SDG 111 per sack in El Fasher. No food aid sorghum was available in Malha in February. Although Malha is an area of livestock rather than cereal production, these high price differentials are an indicator of how poorly integrated Malha is into the market network of North Darfur. High cereal prices are likely to affect the food security of vulnerable households in the north-east and eastern parts of North Darfur in the months leading up to the next agricultural season. These areas have long been chronically food insecure in North Darfur, well before the current conflict.



Almost all the millet on sale in North Darfur in January and February was locally produced with two exceptions. In El Lait, a cash crop producing area, millet was imported from South and West Darfur and from Kordofan. Malha market was supplied from local production in January, but from Omdurman in February, another indicator of its poor integration into the market network of North Darfur, a long-term phenomenon that has been exacerbated during the conflict years.

Trade and Market Bulletin • North Darfur

April 2011 • Vol. 1, No. 1 • www.dra-sudan.org • mohamedharoun12@yahoo.com

Livestock

A couple of livestock markets in North Darfur recorded unusually high livestock prices, especially for cattle, during January/ February 2011, in both cases due to trade routes shifting, becoming longer and pushing up transport costs as a direct consequence of the conflict dynamics. The details are as follows:



- **Tawila market** is normally supplied with cattle from Nyala, via the most direct route through Shengil Tobai, Tabit, and then Tawila. Since November insecurity and fighting in the Shengil Tobai area have meant that cattle traders must now take a more easterly route to avoid Shengil Tobai, travelling as far north as El Fasher before returning south on a more secure route to Tawila. This change in trade route can be seen in Figure 2. Demand for cattle is quite high in Tawila during the tombac-growing season of December to March when incomes are boosted. The price of a bull was 50% higher than the price in El Fasher although the distance between the two markets is only 60 km.
- The price of cattle in **Kutum market** increased by over 70% between January and February as traders had to find alternative routes from Abu Gamra and Sereif, in order to avoid areas of hostility and insecurity.

Some of the lowest livestock prices, especially for sheep and goats, were recorded in Malha in January and February. Figure 3 shows the terms of trade between goats and millet for selected markets in North Darfur. The very poor terms of trade in Malha is an indicator of deteriorating food security.

Livestock prices were noticeably lower in the IDP camps than in most secondary livestock markets in towns in North Darfur, especially for cattle and goats. This is a consequence of the trading regime that prevails in these markets. Beyond the reach of government, they are *de facto* tax havens with low capital costs (for example no rent or licence fees have to be paid by traders).

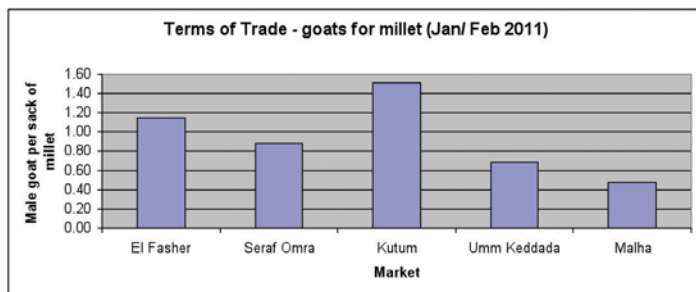
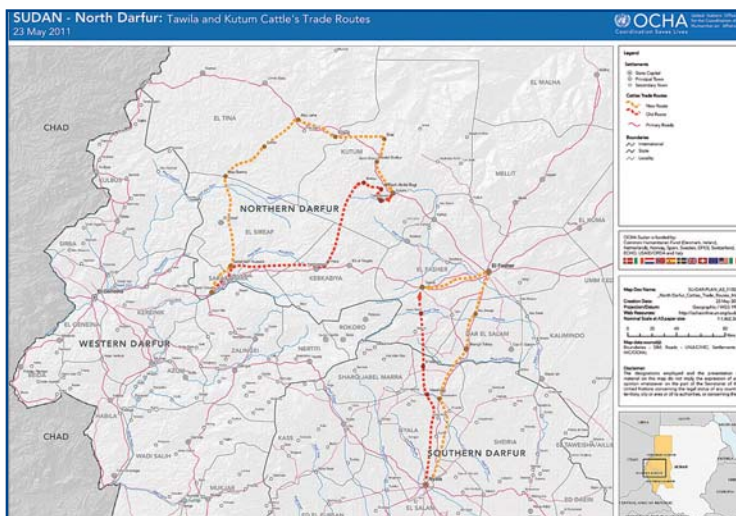


Figure 2 Terms of trade: goats and millet – Jan/ Feb 2011



Cash Crops

The trade in all cash crops has been negatively affected by the conflict, although there were no particular noteworthy events or trends in the cash crop market in the first two months of 2011. The project is monitoring the following cash crops in the following main areas of production:

- (1) **Groundnuts:** produced mainly in the south-east and central parts of North Darfur – El Lait, Dar Es Salaam, Wada'a and Taweisha localities. Pre-conflict, groundnuts were transported and sold in other markets in North Darfur, for example El Fasher and Kutum. High transport costs within Darfur have discouraged this trade, and groundnuts are now mainly exported from North Darfur to Kordofan and Khartoum
- (2) **Gum arabic:** produced mainly in Taweisha, El Lait and Kalimundo localities. March to June is the main harvesting period.
- (3) **Tombak (used for chewing tobacco):** produced mainly in Tawila, El Fasher and Seraf Omra localities, this is a relatively conflict-resistant crop. Although it is labour intensive to produce, it does not require daily cultivation but instead can be cultivated in chunks of time according to the security situation; it is not vulnerable to being grazed by livestock
- (4) **Karkadeh (hibiscus) and watermelon:** karkadeh and watermelon are cultivated in the groundnut producing areas mentioned above. Karkadeh is usually inter-cropped with sesame and millet. The seeds of the watermelon are sold as a cash crop.



Fruits and Vegetables

Tomatoes and onions are two of the main vegetable crops grown in North Darfur. Oranges, usually from Jebel Marra, are sold throughout North Darfur, as are potatoes, also from Jebel Marra. High price differentials between markets in North Darfur

were recorded for some of the main vegetable produce, between the main areas of production such as Kutum, Kebkabiya and Seraf Omra, and areas of consumption such as El Fasher. This is mainly due to transport costs, inflated due to the conflict. See below.



Transport costs

Table 1 shows the transport costs for certain commodities between areas of production and areas of consumption in North Darfur. This shows that transport is a high percentage of the market price in the area of production, highlighting the inefficiencies of trade in Darfur. Poor road infrastructure has long been the main cause; this is now exacerbated during the conflict years because of the additional transport costs associated with the numerous checkpoints along Darfur's main trading routes and the increased risk of transportation. The impact is particularly severe for perishable products such as fresh tomatoes as trucking now takes longer because of the checkpoints and insecurity.

Table 1 Transport costs in North Darfur – Jan/ Feb 2011

Product	Area of production and market price	Transport cost to El Fasher	Transport cost as a % of the market price in area of production
Millet	Seraf Omra – SDG 120/ sack	SDG 22	18%
Onions	Kebkabiya – SDG 70/ sack	SDG 15	21%
Onions	Kutum – SDG 110/ sack	SDG 15	14%

Methodology

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.



Feinstein
International Center



Tufts
UNIVERSITY

Gerald J. and Dorothy R.
Friedman School of
Nutrition Science and Policy

Advisory support: Feinstein International Center, Tufts University

Funders:

Department for International Development of the UK government
United Nations Environment Programme

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 Fish