

Trade and Market Bulletin North Darfur



Darfur Development and Reconstruction Agency

Covering the Quarter March to May 2011 • Vol. 1, No. 2 • www.dra-sudan.org • mohamedharoun12@yahoo.com



Highlights

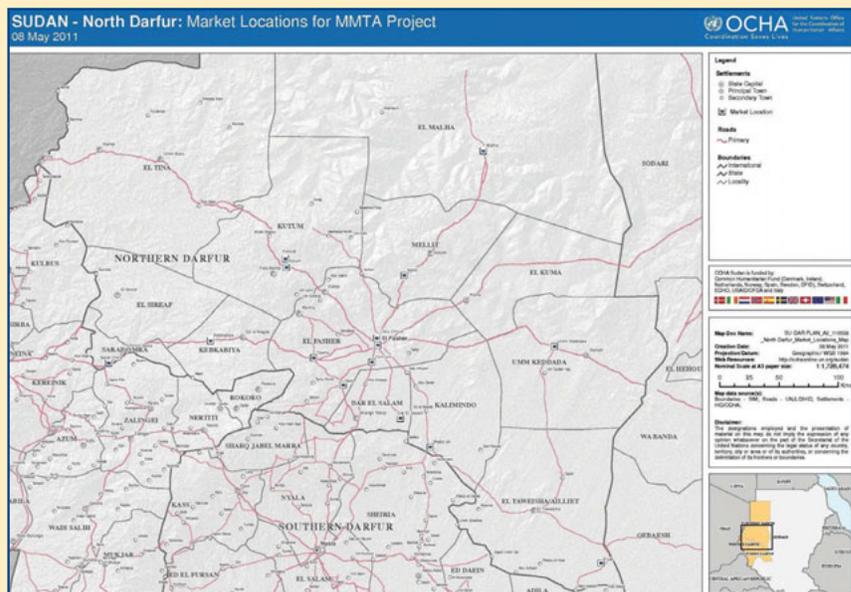
- Cereal prices remained unusually stable during this quarter, reflecting a better harvest end of 2010 and possibly the impact of food aid
- The price differential between cereals sold in markets in IDP camps and in town markets is high considering the short distances between them. This is particularly marked between Kutum town market and the market in Kassab IDP camp. Cereal prices are 17 to 18% higher in Kutum town, partly because the camp market is a *de facto* tax haven, and because pastoralist groups – key purchasers of cereals – do not have access to the camp market
- The respective political crises in Egypt and in Libya have negatively affected the camel trade in Darfur. Although camel exports to Egypt are recovering, trade with Libya remains suspended and some traders have switched to trading sheep and goats, mostly locally
- Insecurity within Darfur continues to affect livestock movements and therefore the supply of livestock to different markets
- Cash crop production and trade are both affected by insecurity. Groundnut and sesame production are down as some of the main producing areas have suffered from insecurity; although this is the period of the gum arabic harvest, no gum arabic was available in the markets being monitored; tombak prices are falling as traders have limited purchasing power and lack of access to credit
- The periodic closure of the El Fasher-Nyala road, sometimes for days at a time, has affected the flow of trade between these two state capitals, and the movement of passengers.

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.

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



Trade and Market Bulletin • North Darfur

Covering the Quarter March to May 2011 • Vol. 1, No. 2 • www.dra-sudan.org • mohamedharoun12@yahoo.com



Cereals

During the quarter March to May 2011, cereal prices remained remarkably stable across the fifteen markets monitored by the project in North Darfur – see Figure 1. This is unusual compared with trends pre-conflict when cereal prices would gradually increase from harvest-time until the prospects for the next agricultural season became apparent. Cereal prices appear to have been more stable during this quarter in 2011 compared with the same quarter in 2010 (according to WFP data), partly due to the most recent harvest being better than a year ago, also possibly due to the expectation of free food distribution. (In June WFP carried out a widespread distribution of food aid across North Darfur, to IDPs and to the resident population). Food distribution is now a key factor determining cereal prices in North Darfur. Even in Malha market, traditionally one of the most food insecure parts of North Darfur, millet prices remained stable but high. A sack of millet in Malha cost an average of SDG 235 over the quarter compared with an average price of SDG 172 per sack in El Fasher; in other words prices were 36% higher in Malha compared with El Fasher, reflecting the poor integration of Malha into the wider Darfur market network. Malha market was regularly supplied with millet from Omdurman but no food aid sorghum was available in the market during this quarter.

There are marked price differentials between the price of cereals in markets in IDP camps and in the nearby town market; cereal prices are usually lowest in the camp markets. See Figure 1. Some price differential would be expected as most of the food aid is distributed in the IDP camps. However, IDP markets are also *de facto* tax havens. They are not subject to the high rates of official taxes and fees that are imposed on the town markets. This explains the size of the price differential. Indeed a number of cereal traders in the town markets now have agents working for them in the IDP camp markets. The price differential for cereals was particularly stark between Kutum town market and Kassab camp market during this quarter. See Figure 2. Although the distance between these two markets is only two to three kilometers, a sack of millet cost 17% more in Kutum market than in Kassab, and a sack of food aid sorghum cost 18% more. This is at least partly attributed to the fact that pastoralist groups, key purchasers of cereals, do not have access to Kassab IDP market, and therefore push up demand in Kutum market.

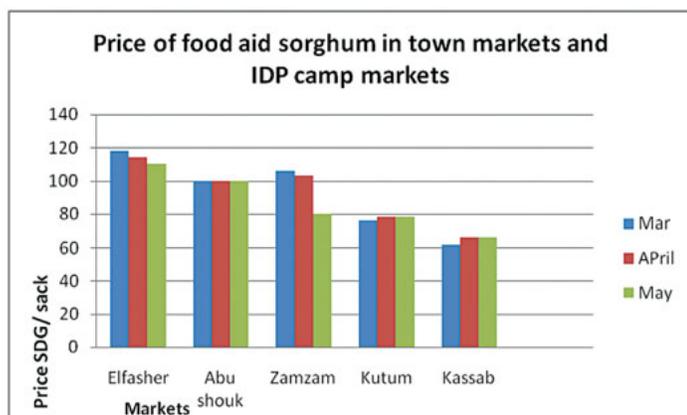


Figure 1: Price differential of food aid sorghum, town markets and nearby IDP markets

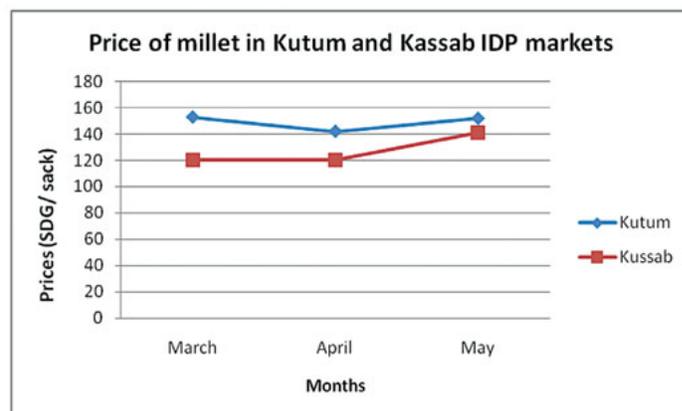


Figure 2 Price differential for millet – Kutum and Kassab IDP market- March to May 2011

Trade and Market Bulletin • North Darfur

Covering the Quarter March to May 2011 • Vol. 1, No. 2 • www.dra-sudan.org • mohamedharoun12@yahoo.com



Livestock

During this quarter the most significant factors affecting the livestock trade have been the political crises in Libya and in Egypt respectively. As both countries are the main export markets for camels from Darfur, this has negatively impacted the camel trade. In Seraf Omra, which has become North Darfur's main camel market since the start of the conflict, the price of young camels (less than 5 years old) fell as this was the main age group exported to Libya. Camels of 5 years and above are exported to Egypt. As the camel trade with Egypt has recently restarted, the price of this age group has started to rise. The export trade to Libya remains suspended. Many camel traders have switched to trading sheep and goats, mostly locally, triggering a price rise in Seraf Omra market.

Within Darfur localized conflict has once again disrupted the livestock trade during this quarter. Conflict between Arab groups and Zaghawa in the East Kutum area, Hashaba, has prevented Zaghawa pastoralists moving north. Instead they have retreated southwards and have settled around Tawila and Tabit markets causing some livestock prices to fall, for example sheep and goat prices in Tawila. Insecurity south east of El Fasher, specifically in Sag Alnaam, Abu Delaik and Edalbaida in Kelimendo locality has caused considerable movement of livestock to more secure areas which are far from El Fasher. This has negatively impacted the supply of livestock to El Fasher market triggering a rise in most livestock prices.



Cash Crops

The price of **tombak** steadily decreased during this quarter. This is not only a seasonal trend – March/ April is the main harvesting period – but it is exacerbated by the weak purchasing power of tombak traders who have limited access to credit facilities, a direct consequence of the conflict.

In contrast **groundnut** prices rose, substantially in some markets. This is partly due to poor production because of insecurity in some of the main producing areas in North Darfur. It may also be due to the threat that WFP will cease distributing oil as part of the food aid ration.

Sesame production has also been negatively affected by insecurity in the Kelimendo area, and as a result many farmers sold most of their crop immediately after the harvest. **Karkadeh** production was similarly negatively affected and supply to the market has been depressed.

This should be the period of the **gum arabic** harvest, around May. Remarkably, it was not available in any of the 15 markets in North Darfur monitored by this project. Although it has been beyond the scope of the project to explore the reasons in any depth in the last quarter, we assume that insecurity is the main factor as gum arabic is usually harvested far from the homes and villages of the resident farming population. The marketing policy for gum arabic may be another negative factor although this requires further exploration.

Trade and Market Bulletin • North Darfur

Covering the Quarter March to May 2011 • Vol. 1, No. 2 • www.dra-sudan.org • mohamedharoun12@yahoo.com

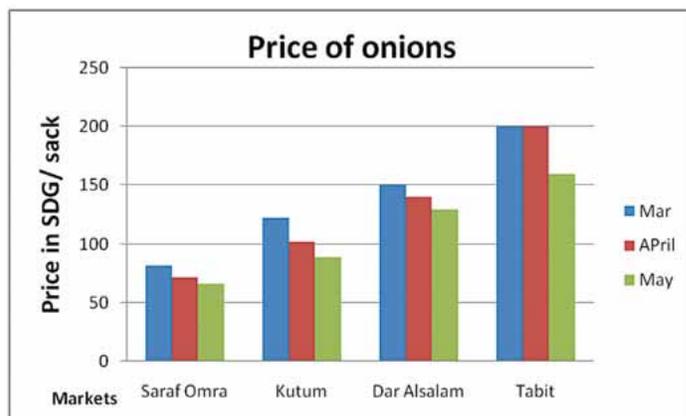


Figure 3 Price of onions in selected markets in North Darfur

Fruits and Vegetables

Across most of North Darfur the price of **onions** fell in this quarter, especially in May. See Figure 3. This is due to the seasonality of production. Onions are consumed locally within Darfur; there is no export.

There was a general increase in the price of **tomatoes** in this quarter, especially compared with early 2011. See Figure 4. This is also due to seasonality and the perishability of tomatoes, as the main period for harvesting tomatoes is December to February. The exception was Kutum where tomato prices fell during the quarter; Kutum produces off-season tomatoes due to irrigation.

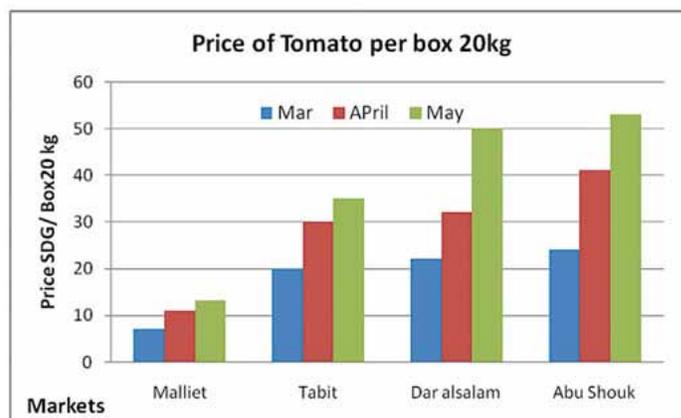


Figure 4 Price of tomatoes in selected markets in North Darfur



Transport costs

The main road closure due to insecurity during the quarter was the El Fasher to Nyala road. This was closed intermittently, sometimes for long periods, especially in March and May. This has negatively affected many small traders whose business depends upon movement between these two Darfuri capitals. It has particularly affected the trade in oranges from Jebel Marra and the supply of firewood and timber for construction from South Darfur to El Fasher. Passengers have also had to fly between El Fasher and Nyala; this is expensive and therefore unaffordable for many.



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

Advisory support: Feinstein International Center, Tufts University

Funded by:

UKAid from the Department for International Development



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 Fisheries