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RAPID MARKET ASSESSMENT BIDI-BIDI SETTLEMENT YUMBE

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Swinga 2 Market



Miller at Kigo Market

Introduction:

WFP Analysis, Monitoring and Evaluation (AME) Unit together with the Supply Chain Unit conducted a two days (22nd-23rd November 2016) rapid market assessment in Bidi-Bidi refugee settlement to get a general understanding of two key issues.

One, to ascertain the nature and capacity of markets within the settlement to support cash transfers and two, to determine the current availability and use of milling machines within/close to the settlement so as to better advise management on the feasibility of introducing milling vouchers.

Bidi-Bidi currently has five zones and the first four zones were visited as Zone five is relatively new with minimal market activity.

The data was collected through structured interviews with key informants including traders, market chairpersons, local leaders and OPM staff (RDO). In addition a Market Observation Checklist was also used during the rapid market assessment to collect price data on available food commodities.

Summary of Findings:

Market capacity to respond to any potential increased demand as a result of WFP Cash Transfers

- The markets are nascent and less than 3 months old. There are no permanent market structures in the settlement, only makeshift (temporary) stalls without roofs and a few roofed with tarpaulins.

Majority of the traders (about 80%) are from the local population (nationals) with refugees accounting for 20%.

- There are close to 500 business/traders across Bidi-Bidi Settlement dealing in different food and nonfood commodities in the four zones (1-4).

However the majority of these traders (90%) operate on small scale with limited operational capital ranging between UGX 100, 000 to UGX 500,000 per month and have no storage facilities.

A few medium scale traders from neighboring districts have operational capital ranging between UGX 1,000,000 and UGX 5,000,000 per month but reported having their main shops in Yumbe and Koboko towns (approximately 20 Kilometers from the settlement)

One crucial point to note is that security was not cited as a major constraint.

- Nationals mainly sell fresh food commodities like cassava tubers, sweet potatoes, fruits, green vegetables, tomatoes and dried fish.

The local traders dealing in fresh foods are mainly women who sell produce grown in local gardens and / or sourced from local farmers. During Focus Groups, local traders indicated that last season's harvest was not good and this resulted in lowered supply of cereals and beans in region.

- By contrast, majority of the refugee traders are men mainly dealing in general merchandise, such as, purchased from Yumbe, Koboko and Arua. Therefore the nearest source of supplies is Yumbe about 20 km from Bidi-Bidi settlement.
- There is a relatively good turn up of buyers on a daily basis. The largest market in Bidi-Bidi sees close to 1000 customers per day. However, the quantities bought are small due to low purchasing power. This is the reason why traders can function on very little operating capital (see above)
- Beans and Maize were not widely seen in the markets; and where sold was sourced predominantly from WFP food assistance with small proportion purchased from Yumbe, Koboko and Arua.

The stocks for these commodities were low among the traders as they indicated that they could not purchase bigger quantities since they are the same commodities distributed for free by WFP on a monthly basis.

- There were no weighing scales except in butchers. Traders use containers which they can easily equate to standard metric systems like Kilograms and liters.
- The prices for processed goods are in most cases set collectively among the traders e.g. all traders had agreed to sell a 300ml bottle (fanta) of vegetable oil at UGX 1500; a kilogram of sugar at UGX 4000.

Traders expected prices of food commodities to increase in the next three months due to increased demand as a result of the refugee influx yet the last season's harvest was not good.

- Most of the local traders indicated that they had limited capacity to expand their supply if their current buyers doubled.

They highlighted limited capital as a barrier since they would need more money to travel to other districts to purchase the required food commodities.

A few traders who come from Yumbe, Koboko and Arua towns indicated that they could increase supply with the increased demand as long as it's gradual and they would replenish stocks in two weeks' time.

- Challenges mentioned by the traders include, low purchasing power by the refugees; limited capital; high transportation costs from Yumbe, Koboko and Arua; lack of storage facilities/permanent structures; scarcity of commodities and; inadequate sanitary facilities in some markets (specifically Kigo-Yoyo1 Zone three).

Milling Facilities

- There were milling machines in all zones of the settlement and some of the millers interviewed owned more than one milling machine. Currently we have about 16 registered millers and 40 milling machines.
- The cost of milling 1kg of maize is UGX 200 (USD 60 cents) and UGX 150 (USD 50 cents) for sorghum.
- The loss factor through milling is almost negligible as the husk is not removed during the milling process.
- Millers are willing to expand on existing capacity if demand is guaranteed

Given the above, there is certainly the potential for WFP to conduct a more thorough assessment of the feasibility and way forward to introducing milling vouchers in the settlement.

Recommendations

1. Markets exist but at initial stages of development predominantly occupied by small scale traders with limited capital and capacity to match sudden increase in demand for food commodities. Therefore, general cash transfers should be considered at a later stage (for example mid 2017) and should be gradual. This was a view also shared in the Bidi-Bidi Interagency RAM Highlights Nov 7th – 9th 2016.

Another factor highlighted by local leaders, farmers and traders was the fact that the recent harvest in the region has been below average resulting in lowered food availability.

2. On a positive note, there is potential for market development across the settlement. Therefore, partners should put emphasis on how the existing markets can be developed to support cash transfer interventions. This is crucial

- as there is a risk that markets in Bidi-Bidi might remain stagnant or evolve very slowly due to the existing low purchasing power among the refugees.
- There is need to sensitize traders from other districts about the potential market in the settlement as a result of cash transfers and this can be done through radio programs.
 - Similarly, other options to increase awareness and kick-start rudimentary market development ought to be explored.
3. Keeping in mind the above factors, at this point a implementation of 100% cash transfers in Bidi-Bidi settlement ought not to be considered as the population is relatively large; as things stand there is not enough land for refugees to cultivate their own food, the nearest mature markets are at least 20 kilometers away and the current harvests have been low.
- Therefore, mix of in-kind food and gradual scale-up of cash transfer would be ideal.
 - And the situation re-assessed in 4 months' time.

Annex: Key Findings by Zone

Zone 1 (Bidi-Bidi)

There were three markets identified in zone 1 but at different levels of growth. There was a market at the reception center but this had more of services including restaurants, saloons and other nonfood items. The second market in zone 1 is Arijua as you keep left off the road heading to Yumbe when leaving the reception center. The third upcoming market (just starting) is at the Base camp).

Market	Number of stalls, /shops	Type of structures	Activity level	Trading in staple foods (Beans & maize)/other food commodities
Reception Centre	Over 100 stalls dealing in a variety of business including services.	Make shift structured roofed with tarpaulins.	Business activity was very high with over 1000 customers daily more especially in restaurants, general mechanizes and transport.	Trading in raw food was very limited at the reception center. The common food commodities available in this market were sugar, salt and drinks. The maize grain, four and beans on market was mainly from food assistance as main source.
Arijua	About 50 stalls / shops.	Make shift structured roofed with tarpaulins.	Traders reported that the market is visited by about 200 customers on a daily basis.	About 20 traders had maize grain and beans with stock ranging from 20Kg to 150Kg for maize grain and 10kg – 30kg for beans. The source was still food assistance given to refugees. Other commodities on market included,

				rice, cassava flour, wheat, fresh cassava and potatoes, beef, fish, green vegetables, sugar, vegetable oil and salt. The fresh foods were mainly from locals/ nationals within Yumbe District and mostly traded by women.
Base Camp	Just beginning with 3 stalls open as of 23 rd November, 2016.			

Zone 2 (Swinga)

Also three markets were identified in Zone 2 (Swinga) but interviews were only conducted in the main market (Agua Market). The second market was between block 1 and 2 within zone 2 and no name was provided for this specific market.

Market	Number of stalls, /shops	Type of structures	Activity level	Trading in staple foods (Beans & maize)/other food commodities
Swinga 2 (Agua Market)	Over 200 business in the market of which about 40% of the owners are female. All business are less than 3 months old. 20% of the traders were refugees (men) and these were	Make shift structured roofed with tarpaulins.	The market is open every day with over 1000 customers. Most demanded commodities on the market include sugar, green vegetables, cassava and potatoes. The main source for	About 10 traders had maize grain and beans with average stock of 30kg and 10Kg respectively. The main food commodities on market were, sugar, greens, cassava (flour & tubers), sweet potatoes and fish. Similar to other zones, food aid was the

	mainly involved in general mechanize e.g soap, sugar, coffee, tea and other processed items.		mechanize was Yumbe, Koboko and Arua Towns.	main source of beans and maize while tubers were from the locals/ nationals and mostly women involved in the trade.
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Zone 3 (Yoyo)

Three upcoming markets were identified in Zone 3 (Yoyo) but the prominent one being Kigo where trader interviews were conducted.

Market	Number of stalls, /shops	Type of structures	Activity level	Trading in staple foods (Beans & maize)/other food commodities
Yoyo 1 (Kigo Market)	The market has about 80 traders with small businesses.	Make shift structures majority without roofs (open stands)	Close to 200 people come to the market every day. The market is about 3 months old of which 70% of the traders are female mainly involved in selling food commodities at a small scale e.g sweet potatoes, cassava flour/tubers, fish and greens.	On the day of the assessment 8 traders had maize flour, grain and beans. Average stock for beans was 10kg and maize grain 30kg. Other food commodities on market were similar to other markets and these included, sugar, greens, cassava (flour & tubers), sweet potatoes and fish. The fresh foods were brought to the market by the locals/nationals from their farms around Yumbe.

Zone 4 (Odravo/Abirimajo)

One upcoming market was identified at Abirimajo in Zone 4.

Market	Number of stalls, /shops	Type of structures	Activity level	Trading in staple foods (Beans & maize)/other food commodities
Abirimajo Market	At the time of the visit on 23 rd November, the market had about 40 traders operating small stalls.	Make shift structures majority without roofs (open stands)	The market is just developing with close to 100 participants (including traders and potential customers) during the time of the visit. 90 o% of traders in this market were females selling fresh foods and fruits.	3 traders had beans, maize flour /grain and 4 women selling fresh potatoes, cassava, fish and vegetables. Other traders were selling general mechanize including nonfood items. Traders indicated that the fresh food are from the nationals while majority of the cereals and beans were from WFP food aid. A few cereals and beans were bought by traders from Yumbe, Koboko and Arua together will all other nonfood items.

Price of food commodities available in different zones of Bidi-Bidi settlement

N	Commodity	Zone 1 Arijua Market	Zone 2 Swinga 2 Market	Zone 3 Yoyo 1 Kigo Market	Zone 4 Abirimajo Market	Bidi-Bidi average Price
1	Maize grain (kg)	1,000	1,000	600	1,000	900
2	Maize flour (kg)	1,500	2,000	1,000	1,000	1,375
3	Rice (Super) (kg)	3,500				3,500
4	Rice (Pakistan) (kg)	3,600	4,000			3,800
5	Rice (Kaiso) (kg)	3,000		3,200	3,200	3,133
6	Wheat flour (kg)	3,000	3,000	2,500		2,833
7	Cassava flour (kg)	1,300	1,300	1,400		1,333
8	Cassava-fresh (hip 6 small pieces)	1,000	1,000	1,000	1,000	1,000
9	Bananas					
10	Sweet potatoes (hip small 8 pieces)	1,000	1,000	1,000	1,000	1,000
11	Beans (Nambale – red with spots)-(kg)	2,800	3,000			2,900
12	Beans (Agwede)-(kg)			2,000	2,000	2,000
13	Beans (Yellow)- (kg)					
14	Peas - (kg)			3,000		3,000
15	Vegetables (green leaves)-(hip)	100	100			100
16	Vegetables (Sukuma wiki)-(hip)			200		200
17	Vegetables (small cabagge)			800		800
18	Irish Potatoes - (hip 6 pieces)	2,000				2,000
19	Beef -(kg)	9,000	9,000	8,000		8,667
20	Fish -5 medium pieces/ 1 big	6,000	8,000	6,000		6,667
21	Chicken - big	25,000	25,000	25,000		25,000
22	Cooking Oil -llitre	6,000	6,000	6,000	6,000	6,000
23	Sugar -(kg)	4,000	4,000	4,200	4,000	4,050
24	Millet Flour - (kg)					
25	CSB (kg)				1,000	1,000
26	Salt)kg)	1,200	1,200	1,400		1,267
27	Sorghum		1,000	1,200	1,200	1,133