Introduction

According to the most recent IPC report, 4.9 million people in South Sudan are food insecure. Following the sudden onset of conflict in July 2016 and resulting restrictions on the supply of goods entering the country, it is imperative to understand how markets in areas at risk of food insecurity are affected by fluctuations in the humanitarian situation throughout the country. On 16 October and 8 - 9 November 2016, REACH conducted a supply chain analysis of markets in Torit and Kapoeta Towns, respectively, to understand the supply chain, operational challenges faced by market stakeholders, and the likely short to medium-term future of trade in Eastern Equatoria State. The following market profile reports the findings of 16 key informant interviews (KIs) with traders in both Torit and Kapoeta Towns.

Key findings

- Insecurity has reduced local population access to crops this growing season, resulting in a highly dependent market population to meet food gaps.
- Kenya has restricted food exports to South Sudan, causing markets to become heavily dependent on supply routes from Uganda.
- Insecurity in the western part of the state, coupled with the depreciation of the South Sudanese Pound (SSP), has reduced traders’ ability to finance and transport large-scale supplies to the market despite increased demand.
- Heavy taxation on both sides of the border and destination towns has also driven up prices on staple goods.

Supply routes

Kenya’s ban on the export of staple grains prevents the import of goods from Eastern routes. Staple grains are therefore transported by road from Uganda through Nimule and either Juba or Magwi to Torit and then Kapoeta. Animals are transported from herding areas in Kapoeta to Torit. Fresh produce is supplied through local subsistence farms by county (e.g. villages in Ikotos County serve the markets in Ikotos Town) and are carried to the market on foot by main roads or through the bush depending on the village. Prior to the current insecurity, roads are reportedly passable all year, although there is a decrease of travel during the wet season, particularly in the western part of the state where roads are less rocky and more susceptible to changes in the weather. NFIs are transported by road from Uganda or Kenya based on proximity (i.e. NFIs to Torit travel from Uganda, NFIs in Kapoeta travel from Kenya). Regional insecurity since July 2016 has greatly limited trade. In the western half of the state, armed groups reportedly ambush most vehicles traveling on main roads, including all of those leading to Torit Town, the state’s main trading hub. Insecurity has caused mass displacement in Eastern Equatoria and has also prevented non-displaced populations from accessing their land, reducing the supply of local goods.

1. IPC. Global Alert: South Sudan Crisis, February 2017
Most common available market goods (November 2016)

Imported staple grains are commonly available in markets, but at inflated prices due to South Sudan's volatile security and economic situation. Fruits and vegetables are grown within each county on family-owned subsistence-based gardens. Because they are locally grown, insecurity has not affected their supply, and prices remain relatively stable.

Available goods
- Wheat flour
- Maize
- Rice
- Beans
- Fresh produce
- Sugar

Unavailable goods
- Simsim
- Cassava

Limited goods
- Sorghum
- Cooking Oil

Market supply and demand (November 2016)

Until July 2016, markets in Eastern Equatoria were among the largest and most dynamic in the country (pre-crisis). Though hyper-inflation has reduced consumer purchasing power, widespread displacement and insecurity has made people entirely dependent on markets for food, raising demand. Insecurity along roads, high taxation, and deteriorating infrastructure has created supply bottlenecks, sharply reducing quantity and driving up prices (current).

SUPPLY: Bottlenecks

Multiple challenges along supply routes, including insecurity, poor infrastructure, and repeated taxation by multiple authorities has constricted the amount of goods that reach markets in Eastern Equatoria. The following factors have led to supply bottlenecks:
- Road insecurity has blocked primary roads, preventing goods from being shipped from Uganda and other parts of South Sudan.
- Poor road infrastructure limits quantity of vehicles that can travel on main roads.
- High taxes along supply route (suppliers report being taxed on the Ugandan side of the border, on the South Sudanese side of the border, and by county and municipal authorities upon arrival to the market).

DEMAND: Market dependency

Despite a reduction in purchasing power due to hyper-inflation, limited access to cropland and widespread conflict and displacement in an area previously dependent on local crop cultivation has dramatically raised market dependency. The following factors influence market dependency in Eastern Equatoria:
- Hyper-inflation has reduced the purchasing power of buyers in the market, reducing the frequency and quantity of foods purchased.
- Conflict has displaced local populations from their land, preventing them from planting food for the season and making them more dependent on markets to access food.

Conclusion

This profile has provided an overview of supply chain dynamics for Eastern Equatoria markets during the 2016 wet season. Insecurity in Eastern Equatoria has disrupted local harvests and limited road transport of market goods. Given the state's proximity to Uganda, there is a possibility for the importation of certain goods, though the current security situation on the roads and the resulting decline in motor transport has prevented supply from meeting demand, constricting quantities of goods and increasing prices. It is recommended that further analysis be conducted during the coming dry season in order to monitor how changes in road access and insecurity affect access to goods across Eastern Equatoria State.