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 12 December 2016, REACH conducted a supply chain analysis of Bunj Market to understand the supply chain, operational challenges faced by market stakeholders, and the likely short to medium-term future of trade in Maban County. The following market profile reports the findings of 5 key informant interviews (KII) with traders in Bunj Market, Maban County.

Key findings

- The economic crisis that began in April 2016 and insecurity following the outbreak of violence in Juba in July 2016 resulted in the displacement of local communities in Maban and a reduction in purchasing power among consumers left behind due to a reduction in access to livelihoods.
- The depreciation of the South Sudanese Pound (SSP) has forced suppliers to increase prices that most consumers in Maban cannot pay in order to compensate for losses related to the increased cost of goods, supply transportation, and business taxation.
- Suppliers in Maban have adapted to a number of challenges in supplying the market prior to the recent economic crisis and would likely adapt to the most recent market challenges if demand increased.

Supply routes

The majority of goods are supplied from Sudan. Sudanese transporters describe using a network of bush routes through Sudan to avoid Sudanese authorities. Upon arrival to Renk, South Sudan, truckers reported joining other transporters to major markets across the Upper Nile State, the largest of which are located in Bunj Town, Maban County. A small number of goods are reportedly transported from Juba via cargo planes. Truckers, traders, and retailers faced a number of market challenges in Maban prior to the economic crisis. Many goods are smuggled across the border. Transporters offset related risks by increasing the price of smuggled goods in South Sudanese markets. Transporters reported that road infrastructure in South Sudan, historically poor, has deteriorated in the last year. Poor road infrastructure limits the rate at which suppliers can restock and subsequently their ability to meet demand. Currently, the depreciation of the SSP has increased both fixed and variable costs for traders, who struggled to afford increased taxation, rental costs, and price of goods while meeting other priorities, including sending remittances to family members in Sudan. In June 2016, two internal markets opened within Doro Camp because refugees feared traveling to Bunj, which has adversely impacted traders in the main market.

1. IPC. Global Alert: South Sudan Crisis, February 2017
Market Monitoring Profile: Bunj Market
Maban County, Upper Nile State

December 2016

Most common available market goods (November 2016)
As one of the largest markets in Upper Nile State, Bunj Market has a better selection of goods than most. However, hyper-inflation and long, often illicit, trade routes have made prices incredibly expensive.

<table>
<thead>
<tr>
<th>Unavailable goods</th>
<th>Available goods</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maize</td>
<td>Rice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beans</td>
<td>Lentils</td>
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<tr>
<td>Wheat Flour</td>
<td>Onions</td>
<td></td>
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<tr>
<td>Sorghum</td>
<td>Fresh produce</td>
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<td></td>
<td>Cooking oil</td>
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<td></td>
<td>Sugar</td>
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Market supply and demand (November 2016)
Prior the crisis, most goods were expensive due to poor infrastructure and communication (pre-crisis). Hyper-inflation resulting from the economic crisis has reduced consumer purchasing power, and local cultivation has decreased people’s dependency on markets, lowering overall demand. Hyper-inflation has created supply bottlenecks, restricting market supply for most goods, leading to an overall price increase and quantity decrease (current).

SUPPLY: Bottlenecks
During the wet season, poor roads and limited infrastructure reduce the overall supply of goods coming from Sudan. The illicit and risky nature of much of the trade raises costs for traders, which are transferred on to consumers by raising prices.

- **Hyper-inflation**: The depreciation of the SSP had reduced the profit margin for traders, hindering their ability to supply a large number of goods.
- **Illicit trade**: Transporters report risks of fines, detention, and vehicle confiscation in Sudan.
- **Poor road infrastructure** that worsens in the rainy season.
- **Poor telecommunication** systems limit communication with primary suppliers.

 DEMAND: Market dependency
During the wet season, cultivation by host communities reduces dependency on Bunj Market, thereby reducing overall demand. The following factors contribute to market dependency in Maban:

- **Hyper-inflation**: The depreciation of the SSP had reduced the purchasing power of consumers.
- **Cultivation**: Ongoing cultivation in the wet season reduces dependency on markets for food.

Conclusion
This profile has provided an overview of supply chain dynamics for Bunj Market during the 2016 wet season. Due to improvements in roads during the dry season, it is anticipated the volume of goods available in the market will increase. However the largest problem for Bunj Market is a lack of purchasing power among consumers to afford the continuously increasing cost of goods. Without an appreciation of the value of the SSP, it is unlikely, despite increased demand for food in the dry season, consumers will be able to afford goods. 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 in Maban County.

2. Goods are significantly less available than before.