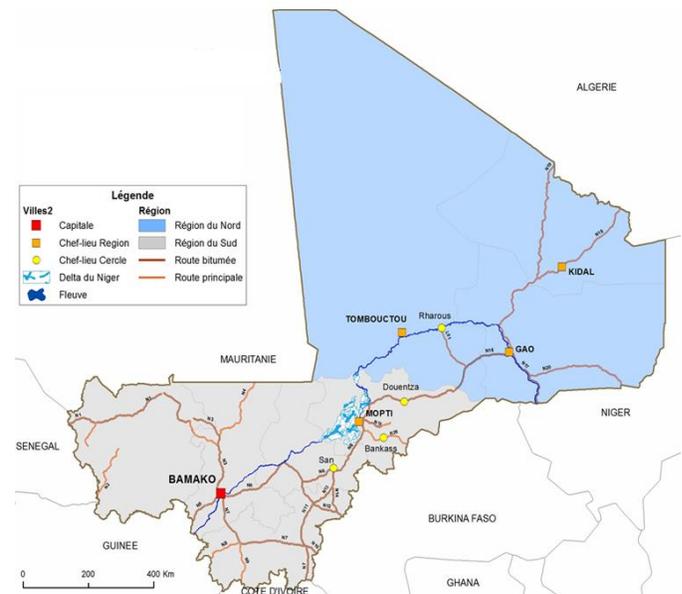


Reduced food availability in the north; food access compromised in pastoral areas

KEY MESSAGES

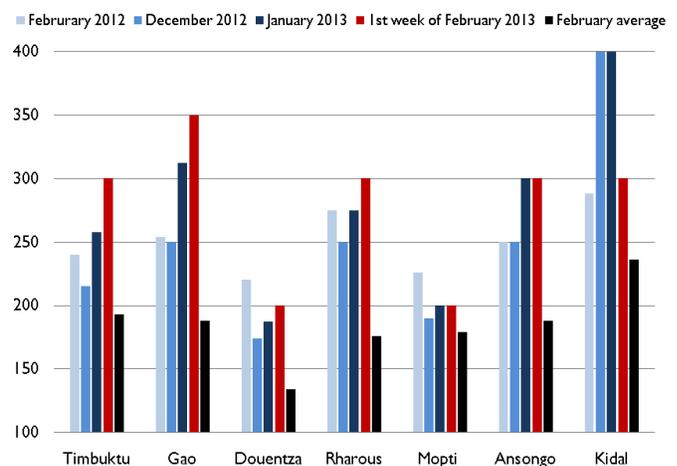
- Staple foods are available and continue to circulate in northern Mali, even though marketing systems have been greatly affected by the escalation of conflict since January 2013. With the exception of Kidal, traders continue to supply most of the north, though less frequently and at lower levels than usual.
- The typical, seasonal downward trend in cereal prices ended prematurely in mid-January in the north, following conflict-related disruptions to the marketing system (**Figures 2 to 4**). The magnitude and potential effects of these price increases are especially worrisome in urban areas where remaining local food stocks are low.
- In early February 2013, significant cereal stocks were available among traders in Mopti who typically supply northern markets. High levels of insecurity currently discourage large trade volumes towards northern Mali, although trader stocks in key source markets are sufficient to meet staple food needs in northern markets if commercial activity along the major marketing corridors resumes.
- Physical access constraints and/or the absence of traders or stocks on markets in northern Mali could lead to the rapid deterioration of food security among pastoralists, who are completely market-dependent to meet their staple food needs. [Assuming the continuation of market disruptions and poor humanitarian access in pastoral zones, Crisis \(IPC Phase 3\) is expected by early April due to shortages on key markets, restricted movement, and the onset of the pastoral lean season.](#)

Figure 1. Reference markets locations in northern Mali



Source: SAP, FEWS NET

Figure 2. Millet prices in Northern Mali (FCFA/kg)



Source: SAP, OMA, key informants

Since August 2012, FEWS NET has been regularly collecting information on the availability and accessibility of staple foods in northern Mali from four independent sources: representatives from NGOs operating in Northern Mali, the local market information system (OMA), the local early warning system (SAP) and interviews with key informants in Gao, Kidal, Timbuktu, and Mopti. Key informants are generally asked open-ended questions about current levels of food availability and observed prices as well as other notable market behavior (e.g. livestock, labor, and financial).

CONTEXT

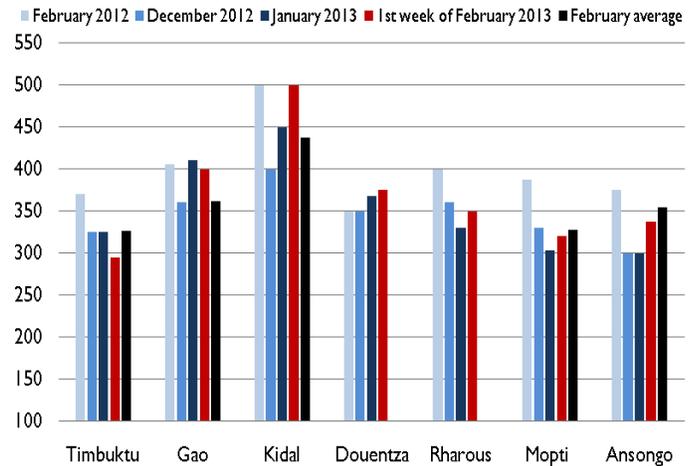
Northern Mali is structurally deficit in staple foods. Market supplies are typically sourced through a mix of local production, millet and rice from Southern Mali (e.g. Mopti, San, and Bankass) and Niger, and wheat flour and pasta from Algeria. Kidal is especially dependent on Algeria for its staple food supplies and as a market outlet for livestock sales.

Interruption and reorganization of the staple food marketing system in 2012: Conflict and subsequent localized civil insecurity during the first half of 2012 severely disrupted normal trade flows that typically support cereal supply in Northern Mali. The staple food marketing system adapted quickly to this disruption through an increased reliance on tertiary market systems. For example, imports of staple foods from Algeria increased and allowed markets to remain adequately supplied in the areas of Kidal and Gao. Traders also adjusted their marketing strategies by reducing the levels of stocks maintained on site, particularly in the urban areas of the North. This new market structure established itself and became the more or less normal feature of commercial activity over the second half of 2012, with prices for some staple food items becoming less costly than pre-conflict prices, because official Malian import tariffs and duties were no longer being assessed.

The return to relative stability in June 2012 allowed for a gradual and limited recovery of trade with the southern part of the country. In October 2012 this recovery became more pronounced as trade flows via boats (10 to 40 MT transport capacity) along the Niger River linking Mopti, Timbuktu and Gao drove increased trade volumes. The particularly high river levels in 2012, while resulting in localized flooding, helped to facilitate these trade flows. Local production and inflows of commodities from new source markets were believed sufficient to meet local demand.

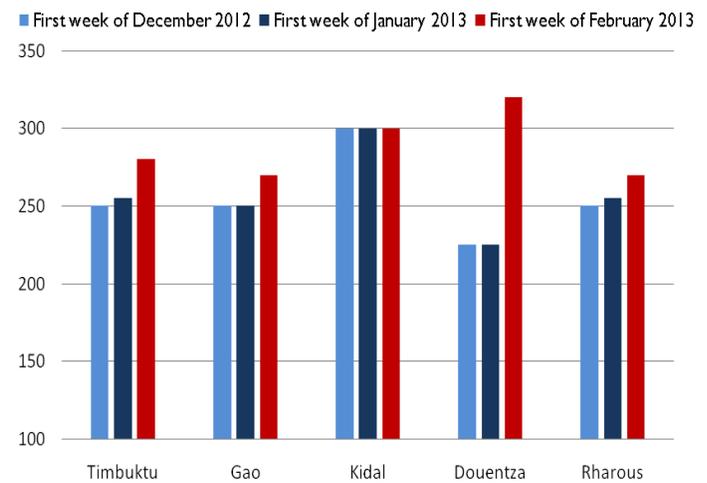
Above-average livestock production levels, favorable grazing conditions, and favorable livestock marketing conditions with the arrival of wholesalers from Niger and Algeria, boosted livestock prices and bolstered goat/millet terms of trade for pastoralists and agro-pastoralists through December 2012. Livestock prices remained above average between October and December, but normal seasonal price decreases did occur given the high levels of livestock available for sale on markets.

Figure 3. Rice prices in Northern Mali (FCFA/kg)



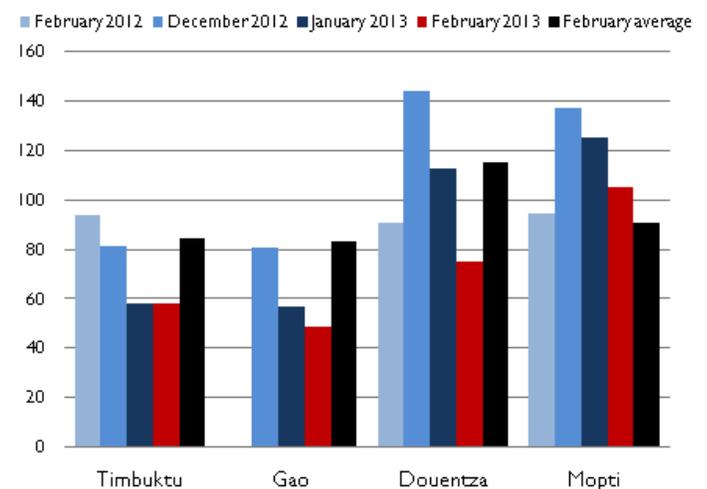
Source: SAP, OMA, key informants

Figure 4. Flour prices in Northern Mali (FCFA/kg)



Source: SAP, OMA, key informants

Figure 5. Terms of Trade in Northern Mali: Kg of millet per goat



Source: SAP, OMA, key informants

Renewed conflict followed by a second reorganization of market structure: In January 2013, staple food flows between surplus areas and northern Mali were once again interrupted. The closure of the Algerian border and reduced road and river traffic toward the north following the start of official military operations created food supply constraints, especially in Kidal. Both staple food and livestock marketing networks were disrupted. Increased trade flows via the Niger River, which is normal during the first three to four months of year, cannot assure adequate market supply. The effects of these reduced trade flows are compounded by the fact that some traders have sold off their stocks and closed their shops, putting further pressure on the remaining marketing system, especially in Timbuktu and Gao.

The seasonal staple food price decreases observed in northern regions until early January 2013 ceased as staple food supplies and stock levels declined. Already high millet prices (55 to 60 percent higher than average in Timbuktu and Ansongo, and more than 85 percent above average in Gao), saw atypical increases of 20 to 25 percent between December 2012 and the beginning of February 2013. Rice prices on the other hand increased only slightly over recent months, due to the availability of local supplies from production systems along the Niger River. The prices of wheat flour, imported primarily from Algeria, increased by 10 to 15 percent from December 2012 and the beginning of February 2013, while livestock prices dropped by more than 25 percent. As of the third week of February 2013, trade corridors between the north and south of Mali are gradually reopening. For example, barriers along the road linking Mopti to Douentza have cleared, a positive initial step toward assuring improved market supplies to residents in northern Mali, where local stocks have nearly run out.

LOCALIZED EFFECTS OF THE CONFLICT

Escalated conflict since January 2013 has had varying effects on staple food availability and access, as the degree of household staple-food market dependence is a function of local socioeconomic realities. Resumed insecurity has weakened marketing networks that link surplus areas to deficit areas in the North, where shortages are currently occurring. Staple food availability in structurally deficit urban centers (especially Gao and Kidal) are most acutely impacted by these conflict-related disruptions as food availability is low due to the gradual exhaustion of trader stocks as trade flows into these areas have slowed or come to a halt.

The conflict has also reduced income-earning opportunities for poor households, especially in urban centers, thereby eroding their purchasing power. In addition, the absence of a formal banking system continues to negatively affect trade volumes between the country's north and south, and will prevent the rapid recovery of economic activities in the coming months.

Southern Supply Areas

In the areas of Mali that usually supply the northern markets, cereal availability is generally good. Prices are tracking normal seasonal trends, and remain below their respective 2012 levels but slightly above their respective five-year average levels. Reduced trade flows from the southern surplus areas between March and December 2012 due to conflict has slowed even further since January 2013 due to weak incentives for cereal suppliers to send their products northward. Traders that typically supply markets in the North have reported a 30 to 40 percent drop trade volumes toward the north compared to the same period in 2012 due to high transfer and transaction costs, high levels of insecurity, and low effective demand.

The absence of banking structures prevents large transactions and makes suppliers more cautious and conservative when sending merchandise toward the northern markets. Some traders have been able to make up the difference by arranging large sales to humanitarian agencies and traders in neighboring countries that are rebuilding their national food security reserves. For example, traders in San, Bla, Bankass, Koro, and Niono have reported large volumes of informal exports to Burkina Faso and Niger by foreign traders in the context of rebuilding their national food security reserves. Millet and rice exports from Niono to Mauritania via Nara have essentially stopped.

Northern Pastoral Areas

In pastoral areas of Kidal, northern Gao, and Timbuktu, markets are typically supplied with imported products from Algeria and Niger and households are market dependent year round. The relative importance of imports from Algeria to household food security has increased in recent months. As a result, the recent closure of the Algeria-Mali border has contributed to both food supply constraints and reduced opportunities to sell livestock, the primary income source of pastoral households. Communication restrictions with the Kidal region prevent an accurate assessment of the scope and scale of constraints; nevertheless, the current market situation can be described as follows.

- **Staple food markets are low compared to normal.** The sporadic arrival of a few trucks from Algeria and Niger has provided some additional market supplies beyond the remaining trader stock levels. In addition, donkey and camel caravans are supplying the far north from Douentza and Seno.
- **According to Solidarité Internationale, when fighting began again in early January trader stocks available in Kidal were sufficient for less than a month of consumption (until the beginning of February 2013).** Pastoralists are currently living on household reserves and the limited trader and retailer stocks still available on the main markets. These conditions are forcing affected households to adopt new coping strategies, such as reduced consumption levels.
- **Staple food prices increased between January and February 2013 due to low levels of supply following widespread interruption of cross-border trade flows.** As trader stocks run out, food prices continue to increase: by 10 to 15 percent between December 2012 and February 2013 for flour, by 10 to 25 percent for millet, and by 5 to 15 percent for rice. Products that are normally imported from Algeria such as wheat, pasta, rice, milk, sugar, and oil, are no longer available in local markets, a direct result of the Algerian border closure. Military operations continue to hinder mobility, preventing consumers from turning to markets in Gao.
- **Small ruminant (goat) prices decreased by 10 to 25 percent in Timbuktu, Gao, Kidal, and Ansongo, and by more than 30 percent in Douentza, between December 2012 and February 2013, but remain more than 5 percent above average (Figure 5).**

Northern Agropastoral Areas

In northern agropastoral zones, the availability of local rice, typically harvested between November and April, has considerably reduced recent household-level market dependence. Local millet supplies from 2012 harvests have also mitigated the impacts of reduced trade flows from surplus producing areas. Market-dependence is much greater in agropastoral areas of Gao, where pockets of poor cereal production reduced overall output compared to normal, than in Timbuktu, where 2012 rice production was more than 20 percent higher than average. While rice production has been a boon for producer households in the current market climate, in pockets that experienced significant production losses due to flooding in 2012, (Bourem, Rharous, and parts of agro-pastoral Gao), market dependence is higher than normal. In Bourem, poor household stocks are sufficient to meet one to two more months of consumption needs. Conditions in the northern agropastoral zones can generally be described as follows:

- Commercial activities continue, but at a very low levels compared to normal.
- **Staple food trade flows via small boats along the Niger River linking Timbuktu and Gao, have provided relief for riverine populations.** Traders are currently using alternate road routes from Ségou and Mopti to the northern regions to reach markets.
- **Staple food price trends are similar to those observed in the pastoral areas, since the agro-pastoral areas typically supply pastoral areas.**
- Income from livestock sales contribute to household food access in pastoral as well as agropastoral areas. However, this income source has declined as livestock market supply has outpaced demand in the absence of foreign traders, causing prices to fall. Small ruminants are the only animals available on the livestock markets.
- **Although food availability on markets currently is low, it continues to meet current household consumption needs. High prices are forcing poor households to engage in more labor in exchange for in-kind payments during the beginning of the rural off-season, and to prioritize food purchases over other expenses.**

OUTLOOK

Resumed conflict in Northern Mali is contributing to growing levels of food insecurity, especially in market-dependent areas where trade has been disrupted by conflict and insecurity. Uncertainty over the changing situation renders any determination of the most likely direction of conflict and insecurity in the coming months. The outlook is therefore based on an assumption of the status quo, in terms insecurity levels, and will be updated as new information becomes available.

- The most likely scenario is that lingering insecurity will remain at present levels and will continue to disrupt economic systems and the delivery of humanitarian aid. The effects of these disruptions will be more pronounced on food insecure households in Kidal.

- The recession of the Niger River will limit the use of the river and linked waterways in supplying the north beginning in April. Traders who supply northern markets will continue to be cautious and maintain commercial traffic from the south at modest levels. Stocks will be partially rebuilt though supplies from southern regions and the off-season wheat (March) and rice (June-July) harvests.
- **Strong demand by foreign traders who are responding to institutional calls for tenders in neighboring countries will continue in markets in Mali's main surplus-producing areas (Ségou, San, Koutiala, Mopti). This additional demand, which is higher than in a normal year, may exert upward pressure on cereal prices.**
- Food and non-food emergency humanitarian aid operations intended specifically for the poor in northern regions are likely to experience additional disruptions as insecurity continues, with the exception of Timbuktu, where access via the Niger River facilitates the more regular arrival of aid.
- Poor households may experience deteriorating food security conditions due to the depletion of their reserves, a potentially early and sharp rise in food prices, and the presence of limited income-earning opportunities, upon which they had to draw heavily during the past lean period. [The projected level of food insecurity, Stress \(IPC Phase 2\), initially expected in March in the northern agropastoral areas, will occur earlier than expected, in February, due to limited mobility and staple food price increases. Food insecurity will become more critical and may reach Crisis \(IPC phase 3\) for poor households in pastoral areas at the beginning of the lean period \(April-June\).](#)