Developing Sustainable Agricultural Information Services: Lessons from Mali

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Outline of Presentation

• Public Market Information Services: Why Bother?
• Challenge: Building Sustainable Market Information Services
• Building Responsive MIS’s: The Malian Experience
• Challenges and Perspectives for the Future

Public Market Information Services: Why Bother?

• Help increase economic efficiency (better spatial and temporal arbitrage)
• “Level the playing field” – Assuring a broad sharing of the benefits of market reforms so that not just the big actors benefit.
• Inform the design of public market policy and programs and monitor their impact
• Help target emergency relief
Why Public Information?

• Many of the needed information services have “public good” characteristics that the private sector would not be willing to pay for directly.
• Useful private information (e.g., market feasibility studies) often built on basic (public) information
• Political importance of making sure that smaller actors also benefit from market reforms

Institutional Design Challenge: Building Sustainable MIS

• MIS often fail after withdrawal of donor support
• Key to Success: Building a committed base of MIS “customers” who value the output of the MIS
  – “Customers” or clients support the MIS directly (through user fees) and through lobbying for government budget support
  – Government itself is an MIS client
Design Challenges for a Public MIS

- Identifying potential users
- Identifying user needs
- Deciding which needs to serve
- Producing a useful product
  - Accuracy
  - Timeliness
  - Credibility
  - Digestibility

Design challenges

- Assuring that the system evolves with the market—e.g., differentiation in the Malian rice market following reforms
- Developing an explicit strategy for assuring MIS financial sustainability
The Malian Experience

- MIS first created in 1989 as part of Cereals Reform Program
- Restructured and reassigned in 1998
  - From grain board (OPAM) to farmers organization
  - Mandate broadened to cover more than cereals
  - Decentralized & linked to local radio stations
  - Given marketing extension responsibilities
Key achievements

• Real-time information available to traders, farmers, consumers
• Decentralized – 24 local offices
• Linked into a West African Regional MIS network
• Government budget and own-generated resources cover 100% of operating costs
Central Steps

- Basic Idea: to be supported, you need to provide a useful product that customers will pay for
  - Directly (user fees)
  - Indirectly (lobbying for gov’t support)
- Basic approach:
  - Ongoing dialogue with the customers (écoute mutuelle)
  - MIS evolves with the market

Ongoing Discussion: Steps

- Identifying the potential users and their information needs
- Identify potential sources and providers of information
- Developing a consensus among stakeholders on priorities
- Strengthening the capacity of the system to respond
Potential Customers (each group is heterogeneous)

- Farmers
- Traders
- Processors
- Consumers
- Input providers and bankers
- Public decision makers
- Donors

Potential information sources are many

- Aim to be a coordinating and facilitating body rather than reinventing the wheel
- Need to provide key missing information
Key tools for responding

• Management and technical committees
• User needs studies
• Informal interaction with trade, combined with some managerial autonomy
• National workshops to consider major changes

Responding to Challenges

• Accuracy
  – Field-level control
  – Oversight committee
• Timeliness
  – Automation of processing
  – Electronic links for rapid transmission & networking
Responding to Challenges

• Credibility
  – Technical committee
  – Oversight committee

• Digestibility
  – Close collaboration with written and electronic press to develop reports

Responding to the Evolving Demand: Examples

• Creation of SIM in 1989 as a response to structural adjustment
  – Gov’t and donors needed to monitor impact of food aid that was financing the reforms (PRMC)
  – Information needs of traders, esp. new entrants
  – Information asymmetries between traders and farmers
Responding to the Evolving Demand: Examples

- Initial focus on prices; then quantities and interpretive information
- Motivation for 1998 restructuring
  - Concerns about financial sustainability
  - Concerns about responsiveness of system to new needs
  - Strong new info. needs following the devaluation
  - Need for info at decentralized level

1998 Restructuring

- Transfer of administrative home--from OPAM to APCAM
- OMA given both public service and fee-for-service responsibilities
- Decentralization--Local units linked electronically
- Broader mandate on products--from cereals to fruits, vegetables, livestock, fish and input markets
Responding to the Evolving Demand: Examples

• Development of Regional Outlook Conferences (1999) -- Response to:
  – Perceived non-tariff barriers to expanded trade
  – Weak commercial links among traders
  – Parallel systems of information that weren’t talking to each other much
    • National MIS’s
    • FAO/CILSS/FEWS - donor-driven systems

Responding to the Evolving Demand: Examples

• Development of 2 Linked Networks
  – Among national MIS (8 countries)
  – Among Traders (same 8 countries)
  – Response to scope for expanded regional trade
  – Need for grass-roots approach to deal with non-tariff trade barriers
• Marketing Extension - Response to farmer demands
Impacts: Examples

• Farmers
  – Increased share of consumer price (from 65% to 80% for rice)
  – Increased bargaining power
  – New information on emerging markets
  – New information on marketing strategies

Impacts: Examples

• Traders
  – Facilitated new entrants
  – Broadened market geographically
    • +60,000 T. of sorghum exports
    • Opening of Guinea livestock market
  – Facilitated arbitrage
Impacts: Examples

• Consumers
  – In Bamako: Leveling and reduction of margins between markets
  – Reduction of prices by 15-20% with introduction of market information system in 1990
  – Lower transaction costs (less bargaining)

Impacts: Examples

• Policy makers (Mali & neighboring countries)
  – Avoiding bad policy
    • Measuring the impact of recent locust invasion
    • Better understanding of reasons for high prices in recent years (market integration)
  – Facilitating regional integration (e.g., Guinea cattle exports)
Reasons for success

• “Ecoute mutuelle”--Ongoing dialogue and evolving with the market
• Sense of ownership by users--> pressure to perform
• Technical competence & backstopping
• Strong commitment of the team (sense of mission)

Reasons for success

• Sustained support from USAID and other PRMC donors over many years
• Some managerial autonomy
• Democracy really helps for sustainability
Future Challenges

• Facilitating regional trade depends on progress of other MIS’s in the region
• Strengthening the traders’ networks
• Developing more effective marketing extension programs
• Keeping a balance between public and private roles
• Dealing with TV monopoly