

## PRELIMINARY NOTES ON THE ORGANIZATION OF A MALIAN NATIONAL AGRICULTURAL OUTLOOK CONFERENCE

by

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### INTRODUCTION:

Agricultural outlook conferences have been a key tool for improving agricultural marketing in the U.S. for at least 30 years. They draw together a broad range of private-sector actors, researchers, government officials, and extension personnel to share information on the likely evolution of agricultural markets over the coming year. The conferences aim to broaden the information base of various market participants, thereby improving the quality of their decision making under uncertainty. Outlook conferences are one component of a broader program of **marketing extension**, which also includes regular market outlook publications and the development of decision aids to help farmers and traders improve their marketing decisions given probabilistic information about how markets are likely to evolve in the coming months. Descriptions and examples of marketing extension tools available on the World Wide Web include:

1. USDA Annual Outlook Conference home page:  
<http://www.usda.gov/oce/waob/outlook98/intro2.htm>

This page provides a description of the annual USDA national outlook conference planned for late February, 1998.

2. USDA's Agricultural Outlook Magazine:  
<http://151.121.66.126/epubs/pdf/agout/mar97/index.htm>

This is the electronic version of the USDA's monthly publication on agricultural market outlook. It provides an example of many of the types of information provided in marketing extension programs.

3. Jim Hilker's Market Outlook and Probabilistic Price Forecasts for Livestock and Grains:  
<http://www.msu.edu/user/hilker/>

Professor Jim Hilker is a marketing extension specialist at Michigan State University. This page provides information on the likely price distributions of key commodities over the coming year. Such information helps farmers and traders make decisions on when and in what ways to market their grain (e.g., whether to sell at harvest, store on-farm in anticipation of higher prices later in the season, lock in a price at harvest via the futures market, buy or sell options). When combined with enterprise budget data, the information can also be used in deciding which crops to produce in the coming year.

This paper presents some preliminary thoughts on what might go into the first annual agricultural outlook conference in Mali. The paper was prepared by Chris Penders (graduate research assistant) and John Staatz (professor) of the Department of Agricultural Economics, Michigan State University (MSU). It is based on consultation with 3 colleagues in the Department of Agricultural Economics at MSU with long experience in agricultural outlook conferences and marketing extension, Professors Vern Sorenson, Jake Ferris, and Jim Hilker.

#### **OBJECTIVES:**

When considering the many goals that can be addressed and accomplished in the context of an annual agricultural outlook conference, two fundamental objectives emerge for the first outlook conference in Mali:

- Creating a forum in which a broad range of market participants and market observers (researchers, SIM, etc.) can meet on an on-going basis to share information on market developments. The fostering of such interaction would be an important step in developing the collaboration needed to develop the decentralized market information system in Mali. Part of the aim would be to foster the demand for improved market outlook information, thereby contributing to the willingness of various actors to support a decentralized market information and marketing extension program.
- Disseminating information shared among the various participants in a way that will improve decision-making throughout all levels of the food system, thereby mitigating risk and, ultimately, increasing food security.

While outlook conferences in the U.S. are well established and focus much more on the latter objective (reducing risk) rather than the former, this forum in Mali has the unique

opportunity to address both of the objectives above. Furthermore, the objectives can (and perhaps should) be broken down into a list of smaller, more manageable goals for the conference:

- To disseminate the information shared among farmers, traders, the government, donors, and research organizations to improve decision-making and reduce risk.
- To promote an important communication link between government, the private sector, donors, PVOs, and farmers and to foster improved agricultural market performance and better production, investment decisions, and policy in Mali.
- To discuss the outlook and potential for various commodities, trade, policy and the economy as a whole in the upcoming year.
- To initiate, build support and develop the need and the clientele for a decentralized market information system, including an annual agricultural outlook conference and marketing extension programs.
- To foster the development of the capacity to perform and improve macroeconomic and microeconomic (commodity) analysis within key components of the decentralized market information system, particularly the University of Mali, the SIM and the CPS. Particularly important at the initial stages would be getting the university engaged in applied market outlook analysis and demonstrating the vital role it can play in this process.

Although much of commodity analysis may deal with determining prices, an outlook conference often focuses more on what may cause prices to change. Thus, more attention can be given to managing the risk that farmers and traders bear and what actions can be taken as new information is made available. All presentations, including commodity analysis, should encourage audience participation in the form of questions and discussion.

#### **METHODS:**

The method to achieve many of the goals is inherent in the nature of an annual outlook conference itself. An annual agricultural outlook conference will provide the forum for the various actors, who may not normally interact in their day-to-day business, to meet and share information. Creating a tradition of annual outlook conferences will also induce demand for analysis of emerging market trends, short-term forecasting, and improved marketing extension materials. Links with the private news media will help assure a broad diffusion of this information.

The fundamental objective to improve decision-making, thereby reducing risk, relies on the dissemination of information at numerous levels throughout the food system, through a growing network of actors. Several key groups can be identified in this process:

- Representatives of farmers' organizations are farmers' primary link to the outlook conference. These representatives need to both convey information to the conference about constraints and opportunities, as perceived at the farm level, and convey information from the conference back to the membership of the organizations.
- Merchants, including livestock, horticulture, grain and input dealers comprise the distribution and collection network for many of the commodities.
- Agro-processors represent a growing source of demand for agricultural products, and they need information on emerging market conditions to make their purchase, sales, and investment decisions. They also need to share information with other actors in the system on their potential demand for different types of agricultural products.
- Extension agents and PVOs are another group of actors who can help distribute information at the local level to farmers and other concerned parties and help articulate farm-level concerns to policy makers and researchers.
- Bankers provide seasonal, working, and long-term investment capital to the food and fiber systems. They need improved outlook information in order to evaluate loans, and can provide information on availability of financing.
- Government officials and donors need information to design improved policies and need to share information with the private sector on impending policy decisions in order to improve private business decisions.
- The news media, particularly private radio and newspapers, can inform a wide variety of people about emerging market conditions.

#### **ISSUES FOR CONCERN:**

The fact that this is the first attempt at an annual agricultural outlook conference, several issues for concern arise: Does expertise exist at the university or within other Malian organizations (SIM, IER, CPS, OMBEVI) to perform the necessary commodity analysis? While SIM may be able to do some outlook work for cereals, capacity within the system to prepare outlook analyses for livestock and horticulture is very limited.

- How much time and effort will be needed to work with the various participants to assure that they develop quality presentations? We need to assure that the quality of the conference is high enough that participants want to continue this sort of marketing extension activity.
- If outside expertise is needed, how can this be minimized such that the conference is still conducted by Malians and not by "toubabs"?
- How do we organize the conference to foster good discussions among the various parties involved, i.e. between business, government, merchants, donors, PVOs, and farmers' representatives? We want to avoid a situation where a group of "experts" stands up at the front of the room and simply talks at the audience.

**LIST OF PARTICIPANTS:**

Following is a list of potential participants, grouped by the type of organization they represent. The list is by no means complete, but should help identify key actors whose interaction will be vital to the success of the conference.

<b>ORGANIZATION</b>	<b>PARTICIPANTS</b>
Farmers' Associations	Chambre d'Agriculture National and regional SYCOV representatives
Government	Ministry of Agriculture (CPS) Ministry of Commerce Ministry of Finance DNSI OPAM/SIM PRMC Office du Niger Office de l'Haute Vallee du Niger IER/ ECOFIL and other IER programs PNVA (Extension service) OMBEVI
University/Researcher Organizations	University Professors in Bamako, particularly those from the Faculty of Law and Economics Faculty from IPR/Katibougou INSAH/PRISAS MSU

<b>ORGANIZATION</b>	<b>PARTICIPANTS</b>
Private Sector	CMDT Traders – cereals, livestock and horticulture West African Enterprise Network Input suppliers Agro-processors
Financial Sector	BCEAO BNDA Private Banks
Donor Agencies/PVOs	World Bank USAID CARE CLUSA Mali Vert Peace Corps Save the Children Plan International
Media	Radio, Print and Television

**MOCK SCHEDULE:**

Outlook conferences usually begin with a broad, macroeconomic perspective. Within this framework, presentations are made regarding the outlook for international trade and potential policy reform and government regulation; often each year's conference has a specific theme to distinguish one conference from the next. Ultimately, the topics narrow in scope to deal with the outlook for individual commodities. Initially, each presentation should be given by a designated speaker; further discussion can then be stimulated by a panel group consisting of a representative from each of the participating sectors, i.e., business, government, farmers' organizations, donor agencies, etc.

Following is a potential list of topics and the order in which they might be covered. In addition, possible speakers are shown along with the appropriate subject matter. This list is neither exhaustive nor complete, but simply reflects some of the more obvious choices. By making minor adjustments to the time schedule, more (or fewer) topics can be covered.

<b>Time – Day 1</b>	<b>Topic of Presentation</b>	<b>Possible Speaker(s)</b>
8:00 a.m. to 8:30 a.m.	Opening ceremony and introduction.	Welcome by President of Chambre d’Agriculture; Introduction to the program by Mr. Bouaré and Niama N. Dembélé
8:30 a.m. to 10:00 a.m.	Macroeconomic outlook and overview, including industrial and service sectors, domestic agricultural products, agricultural credit, interest rates, devaluation.	Idrissa Traore, BCEAO; Presentation on agricultural production by representative of DNSI or MDRE.
10:30 a.m. to 11:30 a.m.	Inter-regional outlook and overview, focusing on possibilities for trade and expansion and the economies of neighboring countries.	Representative from West African Enterprise Network; INSAH (Tefft?) on devaluation studies; ADB (Dioné)
11:30 a.m. to 12:30 p.m.	Government policies and reforms, particularly agricultural reforms, tariffs, market reforms, structural adjustment and decentralization.	Representative from Min. of Finance, Primature, or MDRE/CPS; University faculty member (?)
12:30 p.m. to 2:00 p.m.	Lunch.	
2:00 p.m. to 3:30 p.m.	Inputs: price, availability, use, etc.	A representative from the private sector; APCAM; IFDC
3:45 p.m. to 5:15 p.m.	Theme presentation: The emerging horticulture market: challenges and opportunities	A key business leader; may be a good place to invite someone from Cote d’Ivoire to participate (contact SK Reddy for suggestions); IER/ECOFIL team working on PRISAS- supported study of the impact of devaluation on Malian horticulture subsector

<b>Time – Day 2</b>	<b>Topic of Presentation</b>	<b>Speaker(s)</b>
8:00 a.m. to 10:00 a.m.	Cotton commodity outlook, possible topics: world prices, production, inputs, risk, weather, trade, credit, technology.	A representative from CMDT; SYCOV representative
10:30 a.m. to 12:30 a.m.	Cereals commodity outlook (millet, sorghum, maize and rice), possible topics: prices, production, inputs, risk, weather, trade, credit, technology, storage, food aid and donor policies.	A representative from SIM; Office du Niger; PRMC/COC (?)
12:30 p.m. to 2:00 p.m.	Lunch.	
2:00 p.m. to 4:00 p.m.	Livestock commodity outlook, possible topics: prices, production, inputs, risk, weather, trade, credit, technology.	Abou Doumbia, CPS, OMBEVI.
4:15 p.m. to 5:15 p.m.	Closure: the role of the participants in disseminating the information shared and beginning the process of building support for a decentralized market information system and program of marketing extension work (including next year's outlook conference).	Representative from the Chambre d'Agriculture.