

Memorandum

DATE : June 9, 1999

REPLY TO
ATTN OF : Niama Nango Dembélé, Resident Project Coordinator, MSU

CC : John Staatz, MSU

SUBJECT : Progress report on Decentralized Market Information Services (DMIS) Project

TO : Amadou Camara, SEG, USAID

The DMIS Project seeks to promote agribusiness growth and food security through the establishment of an efficient, reliable, and donor-independent agricultural and food marketing information system and the strengthening of the capacity of the private and public sectors to use market information effectively. The project covers two distinct phases over three years: a design phase and an implementation phase. This report provides information on the progress of project from September, 1998 to June, 1999.

I. Accomplishments

The achievements during the period September, 1998 to June 9, 1999 relate to the activities planned for the design phase and the implementation phase.

1. Design phase activities

Information users' needs survey

The survey was completed in November 1998 and covered 5 groups of users: farmers, processors, traders, consumers and policy-makers. The report on consumers' information needs was completed in April 1999. The reports on farmers, processors, traders and policy makers were compiled into a synthesis report and these reports were used as background papers for the national workshop on the conceptualization of the new market information system known as the Observatoire du Marché Agricole (OMA). The survey was carried out by local consultants who were selected as a function of their knowledge of the working of the Malian agricultural marketing system.

National workshop on the design of OMA

The workshop was held at the Grand Hotel in Bamako in December 1998. It was presided over by the Prime Minister, who signaled the government's strong support of the restructuring of market information services and the importance that the government attached to having reliable information about the agricultural sector. The workshop participants prioritized the information needs of the different groups of users and identified existing producers of the different types of information demanded. The participants concluded that there exist many producers of information, but the dispersion of this information limits its access to the different users.

The workshop recommended that OMA be given the mandate of coordinating the production of information by the different producers, centralizing the information produced, and collecting the information needed but not supplied now by any single producer. The workshop also recommended that the government finance the "public good" activities OMA through the national budget and that the OMA be authorized to carry out specialized analyses for private firms and other organizations on a user-fee basis.

Transfer of the staff of the former SIM from OPAM to OMA

The project worked with APCAM to effect the transformation of the SIM into the OMA, which is affiliated with APCAM but has a high degree of managerial autonomy. The enumerators and the staff of the central unit of SIM, who were formerly OPAM agents, have been transferred to OMA. Both the enumerators and the staff of the central unit of the former SIM are also now employed by OMA. The national coordinator of OMA now has the administrative powers to sanction the current staff, contrary to the situation in the former SIM, where these powers rested with the Director of OPAM. This new arrangement should allow for more effective staff management within the market information system.

The above activities completed the design phase of the Decentralized Market Information System (DMIS) project. The DMIS, known as OMA, now possesses a legal statute, financial and administrative autonomy, and its own staff. Thus, the institutional setting of OMA has been completed and a new office space has been rented to move the central unit of OMA out of OPAM headquarters.

2. Implementation phase activities

The implementation phase activities are designed to build an effective demand for the information services of OMA. In 1999, the activities focus on improving the information products of OMA, setting up the LDCUs¹ and strengthening the analytic capacity of food security policy in Mali.

¹ Local Data Collection and Diffusion Units

Improving Information products of OMA

The project worked with OMA to rationalize the number of bulletins to be produced annually. Henceforth, OMA will produce a monthly bulletin and agricultural market outlook briefs called “Notes de Conjoncture”. The weekly price report will be produced and distributed only to those users who pay a subscription fee of 12,000 FCFA per year, although weekly reports will continue to be broadcast on radio and TV.

The market outlook briefs were initiated in April 1999. The first brief (No-99-01) was distributed to the participants of the regional agriculture outlook conference held in April 1999. These outlook materials will be improved and produced at least three times a year.

The presentation of the monthly bulletin is being improved, and the next issue will include livestock and horticultural products price series in addition to cereals prices and quantities.

A draft OMA Web page has been created, and the staff of the central unit has been initiated to Internet. Comments received from OMA staff and the project on the presentation of the Web page have been sent back to MSU to improve the design of the page, which should be publicly available very shortly.

The data manager of OMA has been sent to MSU for 3 weeks training in networking, Web page management, and to begin the translation of DOS batch files into Windows environment to speed data analysis and retrieval. Three new computers and color printers will be installed at OMA to increase the data storage capacity, eliminate any Y2K problems, and improve the speed of data management and the presentation of OMA information products.

Besides the bulletins, the project and OMA have worked out contractual arrangements with ORTM² to resume the diffusion of cereals price information on the national TV and radio. OMA and ORTM have signed a formal contract for the broadcasting of OMA information products for the first time in ten years of SIM existence.

Setting up the LDCUs

This activity involves the presentation of the new organizational structure of OMA at the local level and securing free office space for the LDCUs, installing a new electronic data management and transmission system, and training the enumerators in the use of the new equipment, data collection methodologies for other products, and marketing extension. The achievements under this activity thus far are:

- ◆ May 26, 1999 to June 2, 1999: Trip to Sikasso, Koutiala, Niono and Segou to present the new organizational structure of OMA, the role of the project in setting up OMA, and securing free office space for the LDCUs. Other trips are planned for Mopti, Bankass,

²Office des Radio et TV du Mali

Gao, Tombouctou, Kayes and Kita. Free office space has been secured in Sikasso, Koutiala, Niono and Segou, although the project and OMA will have to fix these offices to protect the new equipment to be installed.

- ◆ Initiation of the procurement process of the data management and transmission equipment. The appropriate type of equipment and its supplier have been identified and the request for the waiver to purchase the equipment has been sent to USAID/Washington.
- ◆ May 1999: Training of enumerators in a new methodology on data collection on traders' cereals stocks in Mopti.. This training is part of a contract that OMA got from the Ministry of Agriculture to sample traders nationwide for the regular estimation of cereals stocks to be used in establishing Malian food balance sheet. The contract is worth 8 million FCFA.
- ◆ Ordering a training manual on marketing extension from the FAO. This manual is available at the project and OMA offices and will be adapted and translated into French with the possible collaboration of FAO resident representative in Bamako.

Strengthening the analytic capacity of the Malian government to address food security issues

Accomplishments under this activity have been limited to the identification of the collaborating institution. The Project has identified the "Centre d'Analyse des Politiques de Développement" (CAPD), which is linked to the Malian presidency. A draft collaborative agreement has been sent to the director of the center for comments. The draft identifies 4 main research areas:

- ◆ Modeling the dynamics of the evolution of agricultural prices;
- ◆ Analyzing problems of permanent food insecurity of low-income people and strategic options to deal with these problems;
- ◆ Options for managing food crises (e.g., due to severe drought) in liberalized agricultural markets;
- ◆ Agricultural price instability and its impact on investment in agribusiness.

3. Special Activities

Three main activities have been carried out under this heading: a study tour in Egypt, analysis of OMA data and previous MSU studies to assess market performance for the PRMC study, and a joint regional outlook conference.

Study Tour to Egypt

The national coordinator of the project (based at APCAM), the coordinator of OMA and the research associate of the project traveled to Egypt at the end of 1998 to learn about the Egyptian

experience in setting up and running a SIM on horticulture to promote Egyptian agricultural exports to world markets. The trip helped the project and OMA to understand the complexities of collecting and diffusing commercial information on horticulture and other agricultural products. This understanding will help both OMA and the project to build on successful elements of the Egyptian work and to avoid mistakes made by others, as the OMA expands its coverage to new products in the near future.

Regional outlook conference

This activity was jointly carried out by the project and the Food for Peace office of USAID. Participants from 9 countries attended the conference. The conference was opened by the President of the National Assembly, who signaled the importance that the Assembly accords to improved market information by delegating a Member of Parliament to attend the entire conference and report back to the legislators on the major conclusions. The conference participants included farmers, traders, information producers, NGOs and development agencies. Despite some shortfalls in the presentations by a few of the SIMs, the conference was a success, as it allowed traders from different countries to meet and to establish business contacts and it opened a discussion between the private sector and food aid managers about how the private sector could play a greater role in food aid monetization. The conference also provided a setting in which representatives of the various national SIMs could meet together and discuss how to exchange information among themselves more regularly. The report on the conference and the regional outlook brief are being finalized.

Analysis of OMA price data to assess cereal market performance and review of previous studies on market reform in Mali

This activity is part of the PRMC study of the impact of the cereals market reforms in Mali on different stakeholders: producers, traders, consumers and the government budget. The DMIS project produced two of the background reports for the study: a detailed analysis of OMA price data to assess price trends, variability and market integration; and a review of previous MSU studies of cereals market structure and performance in Mali. The MSU resident coordinator attended a meeting in Montpellier, France, in November, 1998, to discuss the terms of reference of the study (this trip was funded by the PRMC), and the campus-based coordinator attended a meeting of many of the researchers in Paris in February to help compile the draft report. Project staff also interacted closely with the rest of the research team through meetings in Bamako and frequent review of draft reports by e-mail. The reports on key market performance indicators and market structure were submitted to the PRMC in April, 1999; and final comments were provided on the synthesis report in June, 1999.

4. Plans for the period September-December 1999

The main activities for the coming months are:

- ***Improvement of the monthly bulletin of OMA and the market outlook briefs ;***
- ***Finalization of the Web page;***

- *Installation of the data management and transmission equipment in the LDCUs;*
- *Development of final methodology for collecting horticulture and fertilizer prices;*
- *Signature of collaborative agreement between the Project and the CAPD;*
- *Participation to the PRMC workshop on national food policy;*

5. Project Reports Produced during this Period

Diarra, Salif B. 1998. "Etude sur l'Identification des besoins d'information des commerçants et exportateurs" Novembre 1998.

Diarra, Aboudou and Dianka, Cheickna. 1998. "Evaluation des besoins nouveaux d'information des transformateurs des produits agri-sylvo-pastoraux à Bamako & Sikasso" Novembre 1998.

Diallo, Fousseyni. 1998. "Etude sur l'identification des besoins d'information des institutions et agences de coopération" Novembre 1998.

Sanogo, Ousmane. 1998. "Etude sur l'identification des besoins d'information des producteurs" Novembre 1998.

Timbo, Gagny. 1998. "Rapport de synthèse des études sur l'identification des besoins d'information sur les marchés agricoles" Décembre 1998.

Koné, Iiarouna. 1999. "Etude sur l'identification des besoins d'information des consommateurs." Mars 1999.

Dembélé, Niama Nango, Abdramane Traoré, and John Staatz. 1999. "L'impact des reformes sur les indicateurs de performance du marché céréalier: Analyse des données de prix du SIM." Contribution to the PRMC Study Etude sur l'impact de la libéralisation sur le fonctionnement des filières céréalières au Mali, Bamako, Avril.

Shields, Will, John Staatz, and Niama Nango Dembélé. 1999. "Review of MSU Studies on Cereals Market Reforms in Mali." Contribution to Module 4 of the PRMC Study *Etude sur l'impact de la libéralisation sur le fonctionnement des filières céréalières au Mali*, Bamako. Also available in French under the title: "Synthèse des études faites par MSU sur les réformes des marchés de céréales au Mali." Avril.