Mozambican Experience with Agricultural Market Information Systems

By
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Why SIMA in Mozambique?

One of the main objectives of economic reforms introduced by GOM in early 1990s:
- Promote efficient national and regional agricultural trade
  - Decimated by 16 years of civil war
- How: through better private and public decision making
Why SIMA in Mozambique? (2)

Establishment of SIMA may contribute to achieve these goals
- Improved price and marketing information for farmers and traders
- Analysis and perspective for policy makers
  - Country coming out of long history of state control of markets
  - Great need for understanding how private markets could be expected to meet needs of farmers and consumers in absence of central decision making

Evolution of SIMA

- 1991: Started with a monthly publication
- 1994: Introduction of a weekly publication
  - Since then, published every Wednesday, 52 weeks a year, every year - total of 449 to date
- 1995: Started the establishment of provincial SIMAs
  - At present, two quite active, three others trying to become established
- 1998: Regional and international price information incorporated, using web access
Provincial market bulletin – "listen-up". Hard copy distribution, but radio in local language is key.

Examples of policy outreach - research reports and policy briefs. Key to influencing attitudes and understanding of policy makers.
Evolution of SIMA (2)

- **User Needs Assessment in 2001**
  - Nationwide assessment of information needs throughout chain -- farmers, traders, processors, NGOs, others

- **Changing from Market Information System to Market Information Service:**
  - Become more demand driven
  - Work in collaboration with private sector, NGOs, and local public sector

Evolution of SIMA (3)

- **Establishment of a pilot Strategic Marketing Information Service in 2001**
- **Nampula province**
  - More dynamic area in terms of production and agricultural marketing
  - Large number of producer associations
    - Strong links with commercial sector and NGOs
  - Provincial SIMA already established
  - Information already disseminated through local radio in local language
Number and % of Households Receiving Market Information Through Electronic or Print Media

<table>
<thead>
<tr>
<th>Province</th>
<th># of households</th>
<th>% within province/country</th>
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<tbody>
<tr>
<td>Nampula</td>
<td>442,668</td>
<td>66</td>
</tr>
<tr>
<td>Manica</td>
<td>127,040</td>
<td>59</td>
</tr>
<tr>
<td>Rest of country</td>
<td>510,045</td>
<td>23</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,079,753</td>
<td>35</td>
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Nearly 450,000 households reached in Nampula at average annual cost per household of US$0.07

Successes of SIMA

- **Institutionalization**
  - Reliable market information unit established in Ministry of Agriculture
  - Paid for fully through Ministry financial mechanisms
  - Day-to-day operations conducted entirely by Mozambican staff

- **Much greater dissemination**
  - Radio programs in local languages are key
Successes of SIMA (2)

Commercially oriented farmers use the information

Total Cereals Sales Value, by Household Access to Market Information ('000 meticais)

Successes of SIMA (3)

Improved Policy

- Avoiding bad decisions
  - Regional maize crisis of 2002/03 became opportunity to reaffirm commitment to free trade, rather than to step away from it
  - Very positive impacts of maize trade with neighboring countries on producer prices
  - Little impact on consumer prices in main consumption zones
Future Challenges

* How to ensure **sustainability** and continuing relevance of the system
  * Sustainability requires “investment” from both public and private sectors
    * Public good nature of information means basic budget will need to come from public sector
    * But private sector demand for the service helps ensure this funding → lobbying
      * And can provide complementary funding of its own

Future Challenges (2)

* Continuing relevance helps ensure sustainability
  * Private sector will not demand the service if it is not relevant to their needs
  * Public sector will lose interest if system is not used to inform policy decisions
Future Challenges (3)

Continuing relevance requires:
- Efficient management and decision-making
- A practical analytical mentality as opposed to a purely reporting mentality
  - Needs to constantly assess market performance and modify the collection and reporting system to remain relevant

Future Challenges (4)

Sustainability and continuing relevance both require constant investment in human capacity
- Formal short-course training
- In-service training
- Selected long-term training