

Timely Information Improves African Markets



“Market information improvement is difficult but the payoff is significant”.

Pedro Arlindo, Ministry of Agriculture, Mozambique

Market Analysts Exchange Information with Wholesaler Traders in Xai-Xai City, Mozambique

USAID assistance demonstrates that sustainability of information services derives from private and public user satisfaction

Challenge: Markets serve both private and public economic interests best when participants are informed with timely and accurate information about supply and demand conditions and related future events that could affect or be needed to improve the markets. But high payoff alone does not easily result in investments to provide market information. In fact, putting into place and sustaining ways to provide information is one of the most difficult building blocks for well functioning food and agricultural markets in Africa. This happens because information has fundamental characteristics of public goods, meaning it is hard or even impossible to produce for private profit because there are often not workable ways to account for information’s large beneficial effects on all participants. It is also a long-term process because good information is skill and quality intensive, requiring well trained and experienced market analysts and accurate methods for obtaining measures of basic operation.

Initiative: To strengthen food system performance in African countries, USAID Washington and cooperating field Missions in Africa put into place the Food Security III Cooperative Agreement with Michigan State University. Managed in the EGAT Bureau in close cooperation with Africa Bureau/SD, one long-term theme of work carried out in Mali, Mozambique and Zambia has focused on strengthening the functioning of country-level marketing information systems and making related contributions towards food system improvements. This work grew from USAID and host country realization that (1) government and donors needed timely information on effective policies to promote stronger economic growth as well as how price and supply conditions were evolving in the new context of broad-based economic reforms and (2) private sector actors, including consumers, needed timely, accurate, and low-cost information to operate effectively in a liberalized market and to make new private investments.

Results: Persistent efforts has produced country-level benefits from improved market functioning and insights about key factors responsible for building sustainable market information systems with strong public-private partnerships. A USAID and CIPE (Center for International Private Enterprise) sponsored workshop helped review host-country and Michigan State University market information experiences in Mali, Mozambique and Zambia. Guidelines downloadable from the FS III Project website were developed from these deliberations and highlight six strategic factors for developing successful market information systems: 1) a minimum political commitment to a vision of serving bot public and private participants; 2) persistent financial assistance by local, national and donor participants; 3) constant targeting and reassessment of user information and analysis needs; 4) strong local capacity to acquire and produce knowledge for user decisions; 5) strong human capacity for managing with a results orientation; and 6) an effective institutional “home” for maintaining and active and timely service orientation.