



MALI'S EXPERIENCE IN RESTRUCTURING ITS AGRICULTURAL MARKET INFORMATION SYSTEM

By

Salifou B. DIARRA (OMA/APCAM) and Niama Nango
DEMBELE (PASIDMA/MSU/APCAM/MDCSA)

Presentation to USDA/USAID Workshop on Developing Market Information
Systems in Africa
Washington, D.C., February 18, 2004



Outline of Presentation :

1. Why build an MIS?
2. What is being done now to restructure the system?
3. How the restructuring got started and why
4. Successes and obstacles overcome
5. Benefits from the new system
6. Technical assistance needs and type of relationship with MSU
7. Challenges for MIS development in West Africa



Why Build a MIS?

- Levels the playing field
- Improves market efficiency
 - Efficient markets don't arise automatically
 - Information as an essential "public good"
- Helps create new markets by promoting regional economic integration
- Helps inform better policy



Building, then Restructuring the MIS

- Mali's MIS originally established in 1989
 - Centralized system, funded entirely by donors
 - Within the National Grain Board (OPAM)
- Restructured and decentralized in 1998 to:
 - Make it more dynamic, cost-effective & self-sustaining
 - Link it to other MIS in the sub-region



Why the Restructuring?

- Financial crisis--Need to move from supply-driven to a demand-driven MIS to assure sustainability
 - Reducing initial MIS operating cost
 - Moving from donors to local resources for financing MIS operating cost by building clientele's support for the system
- Needed a structure that could assure:
 - Accuracy of information
 - Timeliness of diffusion



Crucial Steps in the Restructuring (in 1998)

- Identifying different users' information needs
- Holding a national workshop to build a consensus among stakeholders on information product priorities
- Moving MIS from grain board to farmers organization
- Decentralizing MIS into 24 local units equipped with computers & solar-powered e-mail system linked to local radio stations
- Granting managerial and financial autonomy to increase flexibility.



Successes and Obstacles Overcome

- **Successes**
 - Farmers' own MIS (OMA) that provides marketing extension services with help from MSU & FAO
 - Reduction of operating costs by 32%.
 - Was totally dependent on donor funding; now 100% of operating costs covered by local resources
 - From just cereals coverage to fruits & vegetables, livestock, inputs, & (soon) processed products & farm equipment.
 - From 1 national weekly report to 24 local weekly market news bulletins, broadcast in local languages over 20 private radio stations.



Successes and Obstacles Overcome

- **Successes**
 - Information on trade opportunities in West Africa for Malian private sector through the creation of West African MIS network and traders network.
- **Obstacles overcome**
 - Building human capital to manage the MIS
 - MIS not perceived as a budgetary priority
 - Financing new information needs with an evolving market
 - Identifying and maintaining appropriate data transmission and management equipment.



**Today Malians have access to timely,
accurate and reliable market information
for policy & marketing decisions**



Benefits from the New System

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



Benefits from the New System

- Traders
 - Facilitated new entrants
 - Broadened market geographically
 - +60,000 T. of sorghum exports
 - Opening of Guinea livestock market
 - Facilitated arbitrage



Benefits from the New System

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



Benefits from the New System

- Policy makers (Mali & neighboring countries)
 - Avoiding bad policy
 - Better understanding of reasons for high prices in recent years (market integration)
 - Avoided dumping emergency food aid after 1991 coup.
 - Facilitating regional integration (e.g., Guinea cattle exports)



Technical Assistance Needs and Type of Relationship with MSU, FAO & CILSS

- Need for timely and accurate information help to identify the technical assistance need for the MIS
- Need for NTIC and training
- Marketing extension materials – FAO
- Outlook Conference – MSU & CILSS
- Relation with MSU began with the conception of the initial MIS and has continued through backstopping, training and development of improved methods



Challenges for MIS Development in West Africa

- Need strong government commitment for funding the MIS operating cost
- Donors need to invest in the initial set up of MIS (Role of PRMC in Mali)
- The MIS need managerial and financial autonomy from Government
- The MIS must become demand-driven to generate additional resources from the private sector



Thank you for your attention!

