

Developing Sustainable Agricultural Information Services: Lessons from Mali

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Outline of Presentation

- Public Market Information Services: Why Bother?
- Challenge: Building Sustainable Market Information Services
- Building Responsive MIS's: The Malian Experience
- Challenges and Perspectives for the Future

Public Market Information Services: Why Bother?

- Help increase economic efficiency (better spatial and temporal arbitrage)
- “Level the playing field” – Assuring a broad sharing of the benefits of market reforms so that not just the big actors benefit.
- Inform the design of public market policy and programs and monitor their impact
- Help target emergency relief

Why Public Information?

- Many of the needed information services have “public good” characteristics that the private sector would not be willing to pay for directly.
- Useful private information (e.g., market feasibility studies) often built on basic (public) information
- Political importance of making sure that smaller actors also benefit from market reforms

Institutional Design Challenge: Building Sustainable MIS

- MIS often fail after withdrawal of donor support
- Key to Success: Building a committed base of MIS “customers” who value the output of the MIS
 - “Customers” or clients support the MIS directly (through user fees) and through lobbying for government budget support
 - Government itself is an MIS client

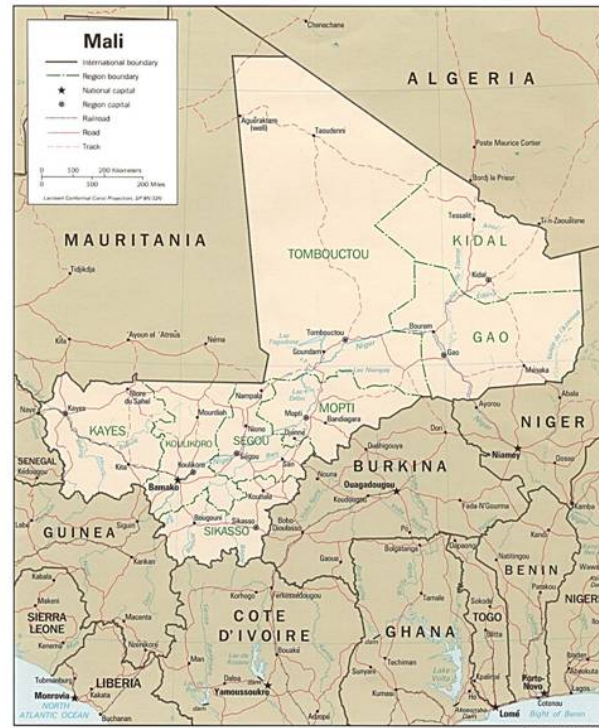
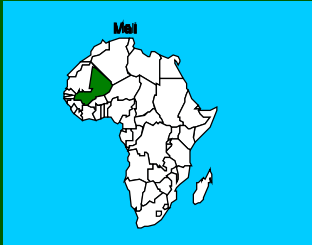
Design Challenges for a Public MIS

- Identifying potential users
- Identifying user needs
- Deciding which needs to serve
- Producing a useful product
 - Accuracy
 - Timeliness
 - Credibility
 - Digestibility

Design challenges

- Assuring that the system evolves with the market--e.g., differentiation in the Malian rice market following reforms
- Developing an explicit strategy for assuring MIS financial sustainability

Mali's Location



The Malian Experience

- MIS first created in 1989 as part of Cereals Reform Program
- Restructured and reassigned in 1998
 - From grain board (OPAM) to farmers organization
 - Mandate broadened to cover more than cereals
 - Decentralized & linked to local radio stations
 - Given marketing extension responsibilities

Key achievements

- Real-time information available to traders, farmers, consumers
- Decentralized – 24 local offices
- Linked into a West African Regional MIS network
- Government budget and own-generated resources cover 100% of operating costs



Central Steps

- Basic Idea: to be supported, you need to provide a useful product that customers will pay for
 - Directly (user fees)
 - Indirectly (lobbying for gov't support)
- Basic approach:
 - Ongoing dialogue with the customers (*écoute mutuelle*)
 - MIS evolves with the market

Ongoing Discussion: Steps

- Identifying the potential users and their information needs
- Identify potential sources and providers of information
- Developing a consensus among stakeholders on priorities
- Strengthening the capacity of the system to respond

Potential Customers (each group is heterogeneous)

- Farmers
- Traders
- Processors
- Consumers
- Input providers and bankers
- Public decision makers
- Donors

Potential information sources are many

- Aim to be a coordinating and facilitating body rather than reinventing the wheel
- Need to provide key missing information

Key tools for responding

- Management and technical committees
- User needs studies
- Informal interaction with trade, combined with some managerial autonomy
- National workshops to consider major changes

Responding to Challenges

- Accuracy
 - Field-level control
 - Oversight committee
- Timeliness
 - Automation of processing
 - Electronic links for rapid transmission & networking

Responding to Challenges

- Credibility
 - Technical committee
 - Oversight committee
- Digestibility
 - Close collaboration with written and electronic press to develop reports

Responding to the Evolving Demand: Examples

- Creation of SIM in 1989 as a response to structural adjustment
 - Gov't and donors needed to monitor impact of food aid that was financing the reforms (PRMC)
 - Information needs of traders, esp. new entrants
 - Information asymmetries between traders and farmers

Responding to the Evolving Demand: Examples

- Initial focus on prices; then quantities and interpretive information
- Motivation for 1998 restructuring
 - Concerns about financial sustainability
 - Concerns about responsiveness of system to new needs
 - Strong new info. needs following the devaluation
 - Need for info at decentralized level

1998 Restructuring

- Transfer of administrative home--from OPAM to APCAM
- OMA given both public service and fee-for-service responsibilities
- Decentralization--Local units linked electronically
- Broader mandate on products--from cereals to fruits, vegetables, livestock, fish and input markets

Responding to the Evolving Demand: Examples

- Development of Regional Outlook Conferences (1999)--Response to:
 - Perceived non-tariff barriers to expanded trade
 - Weak commercial links among traders
 - Parallel systems of information that weren't talking to each other much
 - National MIS's
 - FAO/CILSS/FEWS - donor-driven systems

Responding to the Evolving Demand: Examples

- Development of 2 Linked Networks
 - Among national MIS (8 countries)
 - Among Traders (same 8 countries)
 - Response to scope for expanded regional trade
 - Need for grass-roots approach to deal with non-tariff trade barriers
- Marketing Extension - Response to farmer demands

Impacts: Examples

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

Impacts: Examples

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

Impacts: Examples

- Consumers
 - In Bamako: Leveling and reduction of margins between markets
 - Reduction of prices by 15-20% with introduction of market information system in 1990
 - Lower transaction costs (less bargaining)

Impacts: Examples

- Policy makers (Mali & neighboring countries)
 - Avoiding bad policy
 - Measuring the Impact of recent locust invasion
 - Better understanding of reasons for high prices in recent years (market integration)
 - Facilitating regional integration (e.g., Guinea cattle exports)

Reasons for success

- “Ecoule mutuelle”--Ongoing dialogue and evolving with the market
- Sense of ownership by users--> pressure to perform
- Technical competence & backstopping
- Strong commitment of the team (sense of mission)

Reasons for success

- ***Sustained*** support from USAID and other PRMC donors over many years
- Some managerial autonomy
- Democracy really helps for sustainability

Future Challenges

- Facilitating regional trade depends on progress of other MIS's in the region
- Strengthening the traders' networks
- Developing more effective marketing extension programs
- Keeping a balance between public and private roles
- Dealing with TV monopoly

