

Hewlett Foundation Funds Trade Project in Africa

Dr. John M. Staatz of the MSU Department of Agricultural Economics has been assisting the agricultural community in Mali since the 1980s. First, he worked with Malian colleagues to help Malian farmers and stakeholders benefit from liberalization of grain markets, as Mali shifted to a more market-oriented economy.

In the 1990s, with the support of USAID/Mali, he and his colleague Niama Nango Dembélé, visiting associate professor, were asked to advise the Mali's government and main farmers' organization on how to restructure and decentralize the agricultural market information system in Mali. The result was a network that collects and broadcasts current information from different markets. "Within three years, we went from a central headquarters to 25 regional stations broadcasting important news for the farmers, such as crop prices, transportation costs, and other factors that help the farmers figure out how to bargain based on the latest available information," Dr. Staatz said. In Mali about 70 percent of the population routinely listen to the market reports broadcast by the MIS. The information has helped Malian farmers increase their annual income.

Now, Dr. Staatz and Dr. Dembélé are working to expand the effectiveness of Market Information Systems (MIS) across national borders by linking the Malian system more effectively with MIS in neighboring countries. The expanded network is a pilot project, which they expect will show similar benefits in the neighboring countries and could gradually expand to include the 15 countries that comprise the Economic Community of West African States (ECOWAS).

"There is a need for more effective West Africa market information systems," he said. "Mali trades extensively with its neighbors, particularly in Niger, Guinea and Burkina Faso. The farmers and the traders throughout the region need to be aware of the big picture that affects crossing borders with livestock, grains or other crops. The MIS network will provide answers to key questions, such as what are the government policies,

who is reliable, who are the other traders with whom they can deal, what are the standards required by importers, and what are the import regulations?”

Drs. Staatz and Dembélé are grateful to the William and Flora Hewlett Foundation for a recent grant of \$400,000 to assist in their efforts to establish a wider, international network and to promote stable and reliable regional trade practices within the West Africa market.

Dr. Staatz said that Michigan State University has been a presence in Mali and throughout the region for a long time and has established excellent networks, including many Malian MSU alumni, for helping the community. MSU’s success has been due in large measure to the commitment of MSU’s Malian collaborators and institutions. “We can help them educate lawmakers and advocate for more effective trade policies,” he said.

The project team will also help with educating the stakeholders about options that can reduce the costs of regional trade, such as group action to reduce trade barriers. “Helping to establish the regional networks and helping everyone along the supply chain work effectively is one of the keys to establishing a strong regional economy. That is our goal.”

The William and Flora Hewlett Foundation has been making grants since 1967 to help solve social and environmental problems at home and around the world. The Foundation concentrates its resources on activities in education, the environment, global development, performing arts, philanthropy and population, and makes grants to support disadvantaged communities in the San Francisco Bay Area.