



USAID
FROM THE AMERICAN PEOPLE



MARKET INFORMATION SYSTEMS

What are they?

What is the development opportunity?

What are the constraints and misconceptions?

The “ideal” system

What is happening in the region?

DECEMBER 2009

SARAJEVO, BOSNIA AND HERZEGOVINA



What are they?

- **The most complex systems:**
 - Farm level data
 - Crop distributions – GIS
 - Pest distributions
 - Crop forecasts
 - Wholesale, retail, farm-gate prices
 - Volumes
 - Competition
 - Etc.
- Simplest:
 - Selected wholesale market prices

Tend to be what the
Public sector wants

Private sector needs

We will be talking about agricultural price information systems.



USAID
FROM THE AMERICAN PEOPLE



What is the development opportunity?

- Worldwide experience shows that development of the agricultural sector depends on well functioning markets.
- Economic theory: well functioning markets depend on price information that is:
 - Fresh
 - Timely
 - High quality
 - Equitably – equally –easily available to all market participants
- A well designed, well functioning MIS:
 - Provides continual benefit
 - Potentially to EVERYONE in the agricultural sector
 - At a low cost.

The more perishable the crop mix,
the greater the value

A good MIS can provide the highest cost –benefit ratio
of any potential agricultural development project intervention

FARMA – Fostering Agricultural Markets Activity



Constraints and Misconceptions:

- Sustainability
 - Who pays, who benefits
 - When to charge and when not to charge
- Policy vs business – effect on:
 - System of distribution
 - Frequency of distribution
- Cross border compatibility
 - Names of products
 - Sale units
 - Packing units
 - Currency of sale



The “ideal” agricultural market price information system:

- Handles wholesale (CIF, FOB), retail, and farm gate prices
- Disseminated nationwide
- Consistent
 - System of data collection and reporting
 - Compatible with data from highly developed nations
- Quality
 - Prices are a good reflection of the market price range, central tendency, and trend
- Timely
 - Gathered and disseminated daily (at least for highly perishable products)
- Highly accessible:
 - Radio, newspaper, TV, cell phone, Internet
- National and international markets
- Flexible
 - Fresh and historical data
 - Customizable reports for:
 - Selected markets, products, sale units, currency, etc.



USAID
FROM THE AMERICAN PEOPLE



What is being done in the region?