

Fact Sheet • MALI MARKET INFORMATION STUDY (SIM)

• FOOD SECURITY II COOPERATIVE AGREEMENT •
between
• U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT and MICHIGAN STATE UNIVERSITY •
• IN-COUNTRY TIME PERIOD: JULY 1987-DECEMBER 1994 ¹

1. Cooperating Institutions

Office des Produits Agricoles du Mali (OPAM), Bamako, Mali
Agency for International Development, Mali Mission (USAID/Bamako)
Agency for International Development, Global Bureau, Economic Growth Center, Office of Agriculture and Food Security (AID/G/EG/AFS)
Mali Multi-Donor Funded Cereals Market Restructuring Program (PRMC)
Department of Agricultural Economics, Michigan State University (MSU)

2. Researchers Involved

OPAM: Salifou Diarra, Ely Diarra, Mamadou Fané, Aguisa Maiga, Francis Keita, Kader Sanankoua, Pierre Traoré, and Mamadou Niane
PRMC: Abdramane Traoré
MSU In-Country Researchers: Niama Nango Dembele, Eleni Gabre-Madhin, and James Tefft
MSU Campus Backstop: John Staatz and Michael Weber

3. Objective of the Research

Provide applied research assistance to the Malian government and USAID/Mali to strengthen the empirical foundations of ongoing cereal market reforms and help establish a cereals market information system based at OPAM. Monitor the impact of government policies, such as devaluation, on the performance of cereals markets.

4. Research Approach

Research assistance to the Malian government to help it establish a cereals market information system (SIM) based at the cereal marketing board, OPAM. Niama Nango Dembélé had major responsibility for providing the initial assistance. Eleni Gabre-Madhin, an MSU graduate student, also worked with the SIM in 1990 on a study of Malian grain exports. Her research was jointly funded by MSU and IFPRI. Since July 1991, Jim Tefft has worked in-country with SIM staff to improve the quality, coverage and

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timely reporting of market data collected, and to expand SIM's ability to conduct policy-level studies to inform selected market reform and market development issues.

Overall assistance provided through this FS II add-on has allowed the Malian SIM to begin regular weekly market reporting on over 50 cereals markets throughout Mali beginning in late 1988. Weekly reports are broadcast on national radio and television, fortnightly reports are published in the Malian daily newspaper, *L'Essor*, and the SIM also issues weekly and monthly reports to various government and donor agencies and to PVOs. In addition, the SIM publishes a semi-annual (previously a quarterly) bulletin containing more detailed analysis of cereal market conditions throughout Mali, as well as occasional papers providing more in-depth analysis of market structure and performance. The Malian SIM is now considered by most observers to be most highly developed cereal market information system in the Sahel.

5. Outputs to Date

5.1 Oral Presentations for African Researchers and Policy Makers

Oral presentations of research findings have been presented at the following meetings:

- **Within Mali:**

Presentations have been made to a number of national conferences in Mali, including:

National Cereals Policy Conference, Bamako, June 1993.

National Rice Subsector Conference, Ségou, February 1990.

National SIM Seminar, Bamako, 1989.

National Market Information System Workshop, Bamako, December 1988.

National Cereals Policy Conference, Bamako, June 1988.

The SIM presents informal research presentations regularly to the PRMC technical committee. It also prepares, on demand, special reports for various government ministries.

- **Outside of Mali**

February 1994. USAID/Africa Bureau, Sahel/West Africa Office and ARTS/FARA. Presentation on "Designing Food Security Strategies in a Rapidly Changing Social, Political, and Economic Environment: Challenges for the Sahel (with special emphasis on CFA devaluation)." Presentation by Staatz, Kelly, and Reardon.

February 1990. Nango Dembélé made a presentation to the National Seminar on Price Collection and Usage in Mauritania. Both Dembélé and John Staatz have also advised the SIM in Chad based on experiences learned from the Malian SIM. Analysts from a number of SIMs from neighboring countries have also visited the Malian SIM to learn from the Malian experience with market information systems.

5.2 Written Outputs for Malian Agencies and Policy Makers

- **Statistical Reports**

Applied research assistance provided by the project to the Malian Cereals Market Information System (SIM) has helped the SIM publish regular weekly, monthly, and semi-annual market reports. The semi-annual (formerly quarterly) Bulletin d'Information sur le Marché Céréalière en République du Mali is widely read in donor, government, and PVO offices in Mali.

- **Working Papers**

Tefft, James. 1994. "A Review of the MSU Support Project to the *Système d'Information du Marché* and Suggestions for Future Activities." Report submitted to the USAID at the conclusion of the project. Bamako: Ministère des Finances et du Commerce, Office des Produits Agricoles du Mali, Système d'Information du Marché, December.

Tefft, James. 1994. "Bilan des activités liées à la nouvelle méthodologie et le système informatique et quelques suggestions pour l'évolution future du SIM." Report submitted to the SIM at the conclusion of the project. Bamako: Ministère des Finances et du Commerce, Office des Produits Agricoles du Mali, Système d'Information du Marché, December.

Traoré, Abdramane and Salif B. Diarra. 1994. "Analyse des quantités collectées et de la représentativité de l'échantillon des marchés SIM." Bamako: Ministère des Finances et du Commerce, Office des Produits Agricoles du Mali, Système d'Information du Marché, December.

Aldridge, Kimberly M. and John M. Staatz. 1993a. "A Framework for Analyzing the Design and Evolution of the Cereals Market Information System in Mali." Agricultural Economics Staff Paper No. 93-55. East Lansing: Michigan State University, October. PN-ABS-775.

Aldridge, Kimberly M. and John M. Staatz. 1993b. "Lignes directrices pour l'analyse de la structure et de l'évolution du système d'information du marché des céréales au Mali." Agricultural Economics Staff Paper No. 93-55F. East Lansing: Michigan State University, November. PN-ABS-776.

Aldridge, Kimberly M. and John M. Staatz. 1993c. "A Framework for Analyzing the Design and Evolution of Public Market Information Systems: Insights from Mali." Paper submitted to the selected paper competition for the 1994 meetings of the International Association of Agricultural Economists in Harare, Zimbabwe. PN-ABS-959.

Gabre-Madhin, Eleni Z., Salifou B. Diarra, and John M. Staatz. 1992. "La problematique des coûts de transfert dans le cadre de la commercialisation des céréales au Mali." Etude de Cas No. 2. Bamako: Ministère de l'Economie, des Finances, et du Plan, Office des Produits Agricoles du Mali, Système d'Information du Marché, September. PN-ABT-280.

Staatz, John, N. Nango Dembélé, and Kimberly Aldridge. 1992. "The Role of Market Information Systems in Strengthening Food Security: Lessons from Mali." Agricultural Economics Staff Paper No. 92-60E. East Lansing: Michigan State University, July. PN-ABS 769. **French version:** "Le rôle des SIMs dans le renforcement de la sécurité alimentaire: les leçons tirées de l'expérience du Mali." Agricultural Economics Staff Paper No. 92-60F. East Lansing: Michigan State University, July. PN-ABS-770. Also published in COMAC, Dabats Techniques. Dossier No. 2. Paris: Réseau Stratégies Alimentaires, 1992.

Staatz, John M. and N. Nango Dembélé. 1992. "Has AID's Investment in Market-Facilitating Services Had an Impact?" Agricultural Economics Staff Paper No. 92-93. East Lansing: Michigan State University, December. PN-ABS-771.

Traoré, Abdramane, James F. Tefft, and Francis Keita. 1992. "Pourquoi les prix des céréales sont-ils tellement élevés dans la région de Kayes?" Etude de Cas No. 1. Bamako: Ministère de l'Economie, des Finances et du Plan, Office des Produits Agricoles du Mali, Système d'Information du Marché, March. PN-ABT-276.

Dembélé, Niama Nango, John M. Staatz, and Johny Egg. 1990. "L'expérience du Mali." Paper presented at CILSS/Club du Sahel Conference on Cereals Market Information Systems in the Sahel, Bamako, Mali, 23-25 April, 1990. Paris: Club du Sahel. PN-ABS-942. **English version:** "The Experience of Mali." PN-ABS-941.

Gabre-Madhin, Eleni Z. and Salifou B. Diarra. 1990. "La commercialisation des céréales exportées du Mali: situation-structure-performance." Document de Travail No. 1-90. Bamako: Ministère des Finances et du Commerce, Office des Produits Agricoles du Mali, Division Système d'Information du Marché (S.I.M.), Institut International de Recherche sur les Politiques Alimentaires (IFPRI), and Michigan State University, August.

Gabre-Madhin, Eleni Z. and Aguisa B. Maiga. 1990. "Analyse des marges de commercialisation des marchés céréaliers du Mali: implications pour les échanges régionaux." Document de Travail No. 2-90. Bamako: Ministère des Finances et du Commerce, Office des Produits Agricoles du Mali, Division Système d'Information du Marché (S.I.M.), Institut International de Recherche sur les Politiques Alimentaires (IFPRI), and Michigan State University, August. PN-ABS-878.

Dembélé, N. Nango. 1989. "Les opinions des commerçants de Bamako sur le système d'information du marché céréalier." Note d'Information 89-01. Bamako: Projet Sécurité Alimentaire MSU-CESA-USAID, May. PN-ABT-260.

Dembélé, Niama Nango and John M. Staatz. 1989. "Transparence des marchés céréaliers et rôle de l'état: la mise en place d'un système d'information des marchés au Mali." Paper presented at European Agricultural Economics Association Seminar in Montpellier, France, May 29-June 2. Agricultural Economics Staff Paper No. 89-83. East Lansing: Michigan State University, May. PN-ABS-759. **English Version:** "Market Transparency and the Role of the State: The Establishment of a Market Information System in Mali." Agricultural Economics Staff Paper No. 89-83-E. East Lansing: Michigan State University, November. PN-ABS-760.

Dembélé, Niama Nango and Philip Steffen. 1988. "Approche méthodologique pour la mise en place d'un système d'information au Mali." Document de Travail No. 88-01. Bamako: Projet Sécurité Alimentaire MSU-CESA-USAID, March.

- **Theses Written by Project Researchers and Collaborators**

Dembélé, Niama Nango. 1994. "Economic Analysis of Traders' Response to Cereals Market Reforms in Mali." Ph.D. Dissertation, Department of Agricultural Economics, Michigan State University. (Staatz was dissertation supervisor.)

Diarra, Salifou Bakary. 1994. "The Role of Small Rice Mills in the Rice Subsector of the Office du Niger, Mali." Plan B Paper, Department of Agricultural Economics, Michigan State University. (Staatz was thesis supervisor.)

Aldridge, Kimberly M. 1992. "A Framework for Analyzing Alternative Institutional Arrangements for the Cereals Market Information System in Mali." Master's Thesis, Department of Agricultural Economics, Michigan State University. (Staatz was thesis supervisor.) PN-ABS-915.

Gabre-Madhin, Eleni Zaude. 1991. "Transfer Costs of Cereals Marketing in Mali: Implications for Mali's Regional Trade in West Africa." Master's Thesis, Department of Agricultural Economics, Michigan State University. (Staatz was thesis supervisor.) PN-ABS-945.

- **Journal Articles about the Malian SIM**

Afrique - Etats Unis, December 1991. ("Libéralisation du marché des céréales.")

Front Lines, February 1991. ("Malian Grain Traders Learn to Harness Market Forces.")

5.3 Short Term Training and Collaborative Research Activities in Mali

MSU in-country researchers have provided ongoing in-service training to SIM analysts in economic and statistical analysis and the use of various software packages (e.g., WordPerfect, SPSS/PC+, Lotus, Harvard graphics). MSU on-campus staff have developed French translations of training documents for many of these packages. MSU in-country staff have also helped train SIM enumerators in the research methods developed under the project for collecting improved price and quantity information.

The project supported the participation of one of the SIM analysts, Pierre Traoré, at the University of Michigan's summer seminar in development economics. This is a 6-week program, taught in French in Ann Arbor, on economics and policy analysis in developing countries. Mr. Traoré then spent an additional week in East Lansing studying SPSS/PC+ and discussing research on market information with MSU campus-based staff.

Almost all the research carried out under this add-on is done collaboratively by MSU and SIM staff. This is reflected in the large number of publications listed above that were jointly authored by MSU and SIM staff.

5.4 Long Term Training for Malian Researchers

USAID/Mali has supported the long-term training of four SIM analysts at MSU. This training has been financed independently of, but in coordination with, the activities carried out under the add-on. The training has included:

Name	Dates	Topics Studies	Training Institutions
Moulaye Ely Diarra	June 1991-Aug. 1993	Computer hardware and software; agricultural marketing	MSU, Institute of Agricultural Technology; Lansing Community College
Salifou Diarra	June 1991-Feb. 1994	Agricultural Economics (M.S.)	MSU, Dept. of Agricultural Economics
Francis Keita	Sept. 1993-Sept. 1995	Applied statistics, agricultural economics, computer software	MSU, Institute of Agricultural Technology; Lansing Community College
Abdel Kader Sanankoua	Sept. 1993-Sept. 1995	Agricultural Economics (non-degree program)	MSU, Dept. of Agricultural Economics

Three other MSU graduate students have based their theses in agricultural economics on research carried out with the SIM: Kim Aldridge (M.S., 1993), N. Nango Dembélé (Ph.D., 1994), and Eleni Gabre-Madhin (M.S., 1991). These studies have helped train American (Aldridge), Malian (Dembélé) and Ethiopian (Gabre-Madhin) analysts about cereals marketing issues in the Sahel.

5.5 MSU Backstop Trips in Support of Mali Team

Most trips were jointly financed by other MSU Mali add-ons, and staff time was split between supporting those activities and SIM activities.

July 1994, trip by Staatz. Worked with SIM colleagues, including Tefft, on the SIM's program of work through December 1994, when MSU's joint work with SIM under FSII ends. Discussed longer-term MSU-SIM links via PRISAS as well as methodological and staff-development issues for the SIM over the longer run.

September 1993, trip by Staatz. Helped SIM develop plans for an internal strategic planning exercise. Set priorities with Tefft on tasks for him to accomplish before his departure from the SIM in early-mid 1994. Discussed possible creation of SIM users' advisory panel. Reviewed draft SIM documents.

May-June 1993, trip by Dembélé (largely funded by Rockefeller Foundation). Collected additional information on how traders have responded, in terms of investments and employment, to liberalization. Participated in National Cereals Policy Seminar, reporting results of ongoing research to this body.

May-June 1993, trip by Staatz. Discussed plans for future restructuring of the SIM in light of the National Cereals Policy Seminar, which was to take place at the end of June. Finalized training plans for Keita and Sanankoua. Discussed alternative publication formats for SIM reports.

September 1992, trip by Staatz. Planning of SIM training needs for Francis Keita and Kader Sanankoua, the next two SIM analysts designated for overseas training. Review new methodology for collection of quantity data. Review of draft publications on the rice trade. Work with SIM staff on longer-term plan for work on the rice subsector. Finished revisions on SIM report by Gabre-Madhin, Diarra, and Staatz on Mali grain exports.

July-August 1992, short-term trip by Moulaye Ely Diarra and Salifou Diarra. Moulaye Diarra assessed SIM computer programming, data management, and hardware maintenance needs. Salifou Diarra conducted rapid reconnaissance study of small rice mills in Office du Niger zone.

March-April 1992, trip by Staatz. Worked with SIM staff on methodological issues, reviewed draft publications, and helped in revision of long-term staff-development plan.

November 1991, trip by Staatz. Delivery and set-up of new computer equipment. Follow-up work on ways of measuring market quantities and conversion of price data collected using non-standard measures.

October 1991, trip by Staatz. Work with SIM staff on developing improved methods for collecting quantity data. Identification of topics for future market structure studies. Review of draft report on causes of high grain prices in the Kayes region. Discussion of SIM annual work plan.

July 1991, short-term trip by Dembélé. Work with Tefft in implementing more efficient data entry and analysis procedures for the SIM; conduct surveys on continuing evolution of the cereals wholesale trade.

July 1991, Tefft arrives to begin long-term assignment with the SIM.

June 1991, departure of Salifou Diarra and Moulaye Ely Diarra from SIM for long-term training in the U.S.

May 1991, trip by Staatz and Weber. Negotiation with OPAM and USAID/Mali of an Memorandum of Understanding to cover activities of Jim Tefft as MSU researcher/assistant based at the SIM. Development of terms of reference for Tefft's activities. Finalize add-on proposal to fund this activity.

December 1990, Dembélé returns to MSU for Ph.D. study (funded by Rockefeller Foundation).

December 1990, trip by Staatz. Negotiate add-on with mission for continued backstopping of SIM after departure of Dembélé (in December, 1990). Work with PRMC to help renew contract of Abdramane Traoré. Also stopped in Paris on way to Bamako to participate in meeting of COMAC, a network linking SIMs throughout Africa.

April-May 1990, trip by Staatz. Participation in CILSS/Club du Sahel Regional Seminar on Market Information Systems in the Sahel. (See publication list for paper presented.) Work with SIM on refining long-term staff development plan. Discuss training plans for SIM staff with USAID/Mali. Help launch collaborative research of Gabre-Madhin and SIM.

April 1990, Eleni Gabre-Madhin arrives for 5-month collaborative study with SIM on Malian grain exports.

February 1990, trip by Whitney Alexander. Development of improved techniques for file management and automated analysis of data. Documentation of SIM's data entry and management procedures and development of systematic back-up procedures.

October 1989, trip by Staatz. Help in wrap-up of current phase of MSU support to SIM. Review of SIM's draft quarterly report and discussion of future research support needs.

August 1989, trip by Scott Loveridge. Training of SIM staff in SPSS/PC+. Help in organizing computer files.

May-June 1989, trip by Staatz. Review of SIM's draft quarterly bulletin; co-authored paper with Dembélé on Malian experience in establishing the SIM (later given in Montpellier, France--see publication list). Review of draft paper by Steffen and Dembélé on the regulatory environment facing Malian cereals traders. Discussion with USAID/Mali of continued support for SIM after 1989.

January-February 1989, trip by Staatz. Work on design of ongoing market analyses and development of diffusion strategy for SIM reports. Work with SIM staff on a long-term staff development plan. Help in analyzing SIM budget, medium and long-term logistical needs, and technical support needs.

September 1988, trip by Staatz. Work with SIT staff on research methods, design of first official market bulletin, and preparation for upcoming national conference on design of a permanent SIM. Installation of new computer equipment.

June 1988, trip by Staatz. Work with transitional SIM (SIT) staff on market survey design and analysis. Help with design of prototype market bulletin.

December 1987, trip by Staatz and Weber. Review of survey results on potential host institutions. Negotiation of draft MOU with OPAM for work on establishing a market information system.

September 1987, trip by Staatz. Work with MSU team and USAID/Mali to identify potential Malian government organizations to house market information system. Design of surveys on information collected by various organizations and on potential clients' information needs.

5.6 Examples of Impact of Project Findings/Information

Capacity Building--The project has institutionalized within the Malian government a capacity to carry out timely analyses of marketing policy issues, such as the impact of devaluation on cereals markets.

Import Policies--SIM findings that prices were higher in the region of Kayes stimulated widespread discussion of this phenomenon in the press. Subsequent investigation by both the SIM and the Malian daily newspaper (*L'Essor*) focused on how import policies raised cereals prices, especially for rice. Policies were subsequently changed to allow freer imports.

Marketing Margins--Econometric analysis indicates that gross cereals marketing margins between the main coarse-grain surplus-producing region of the south CMDT zone and Bamako fell by 21% over the period 1986-92, which covers the first years of the SIM's existence. This statistical evidence is consistent with anecdotal reports from both farmers and traders that the SIM radio broadcasts have fundamentally changed bargaining relationships between traders and farmers, forcing traders to offer more competitive prices in isolated rural markets.

Interviews with traders also indicate that SIM broadcasts of wholesale prices has strengthened the bargaining position of the newly-entered itinerant assemblers who buy in rural markets and sell in capital cities vis-a-vis the large, more established wholesalers.

Statistical evidence also shows that in the year following the start of SIM price reports on the radio, the average margin between retail markets in Bamako fell and subsequently became more stable.

Food Aid Releases--Following the March 1991 coup d'état, there was widespread looting of grain warehouses in Bamako. The transition government, fearing food shortages, requested the PRMC to release emergency stocks into the market. The PRMC agreed, but only if SIM reports showed continuing food shortages and high prices in the markets. The SIM reports indicated, however, that prices actually fell in the weeks following the coup, as looters sold the pillaged goods. SIM reports, by helping avoid the release of additional stocks onto the market, helped to limit further losses by cereals traders as a result of the civil unrest.

Monitoring the Impact of Devaluation--On January 12, 1994, the CFA franc was devalued for the first time since 1948. At the request of the Minister of Economics and Finance, the SIM has begun monitoring key markets more frequently and is issuing "flash" reports that monitor the impact of the devaluation on cereals markets.