

Highlights

CIAT in Africa

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The Highlights series summarises research results and policy implications from the work of CIAT and its partners in Africa

A low cost reliable market information service for Africa

Lack of accurate and relevant market information has been identified as a major obstacle in efforts to improve the agricultural sectors of African countries, yet few smallholder farmers have access to such information. Poor access to market information means that farmers cannot monitor prices and this weakens their ability to negotiate with traders. To address this information asymmetry, donor organisations have invested in developing marketing services to support smallholder farmers. In the 1970s many Government market information services (MIS) were established but virtually all of these failed to provide relevant and timely information to farmers. Consequently donors withdrew funding and their operations ceased. To find new ways of providing market information to farmers, CIAT and other partners including IITA, CTA and USAID developed a research agenda to devise new MIS services. Services were designed at local, national and regional levels. Results from this work showed that the basic elements of a successful market information services include:

- outsourcing management from government
- focussing on operations at low cost
- collecting only essential information such as prices and relevant market news
- collecting information using reliable sources and re-disseminating this information on the same day or within two days
- disseminating information to farmers and traders regularly using rural FM radios, mobile phones, email and the Internet

To support these processes the research team needed a simple data management system for entry, storage and re-distribution of information. This was achieved through a partnership with a private sector software company, Busylab of Accra Ghana (www.busy.com). This partnership built an MIS system that was easy to use and cheap to operate and was piloted in Ghana and Uganda under the name Tradenet.

What is Tradenet?

Tradenet is a software platform that allows market data to be easily accessed via mobile phone (Short Message Service [SMS]), fax, or via the Internet using computers including hand-held personal digital assistants [PDAs]. This allows farmers and traders to receive daily price information, download video/audio files, access research documents, post buy & sell offers to the community, and contact other market participants. A data manager reviews and provides final

How to get FOODNET Market Prices

Type these Keywords in your phone

Step 1
On your phone, go to MESSAGES

Step 2
Type MAIZE or any other crop

Step 3
SEND to 197 or 198 and wait briefly...

Step 4
You will get Current Market Prices from 18 Districts in Uganda

Maize
Matooke
Beans
Cassava
Ganuts
Millet
Rice
SimSim
Sorghum
Soya
Ish
Coffee
Cotton
Fish
Vanilla
Cocoa

Get SMS prices from these towns

Kampala
Arua
Gulu
Iganga
Jinja
Kabale
Kasese
Kitgum
Lira
Luwero
Masaka
Masindi
Mbale
Mbarara
Rakai
Seroti
Tororo
Holma

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authorisation to incoming entries (via email, SMS or on-line) to ensure that data quality is maintained. Once approved, data is entered into a database and copied to a secure server held on-line. Using Tradenet, users can access both current and archived data on-line. They can analyse information by commodity or by market through the on-line graphing tools, and data files can be downloaded for analysis with Microsoft Excel.

Storage of text and sound files

In addition to the numerical data, Tradenet can hold both text and sound files. For radio stations, news and educational programmes can be downloaded and re-broadcasted to a mass audience using sound (MP3) files.

Registration of service providers

Tradenet offers the opportunity to provide updatable lists of service providers, traders, and financial services. In time, this registry can also have approval ratings of good business conduct. New versions of Tradenet allow for groups to be formed so that people interested in one commodity can create their own information area and manage this part of the site.

Dissemination of information

The most essential part of any market information service is the disseminating of accurate, reliable and timely information. Today, there are many technologies for mass dissemination of information:

- **Radio** – For many millions of rural farmers and traders, the most effective means of delivering information is via rural FM radios. Tradenet can be used to post MP3 voice files that can then be downloaded from the Internet by radio stations.
- **Email** – Tradenet has automatic email lists that send regular bulletins to subscribed clients.
- **SMS** – The Tradenet site can be configured to link into a local mobile phone SMS system, so market price and volume data can be sent to the caller's mobile phone when the caller sends certain keywords to the Tradenet site via their mobile phone.
- **Internet** - Tradenet is an on-line web-based service, providing clients with a direct access point to market information which is updated on a daily basis.
- **Media** – Newspapers and other printed media can download the information from the Internet or they can be sent regular news

articles.

Tradenet works through country level sponsors and commodity groups who promote the use of the information to media providers such as radio, print, advertisers etc. Media houses provide market information in an effort to attract more readers/listeners and sponsors for advertising. At present the developer of Tradenet does not generate an income and its costs (approx. US\$5,000 per year) are supported by publicly supported development projects. People that receive the information through emails or radio do not pay. SMS users pay 25% of the costs of the charge to Tradenet sponsors, which in Uganda generated revenue of US\$1,200 (US\$0.01 per hit with 120,000 hits/year).

Scaling up MIS with Tradenet

Started in 2001, Tradenet is now used in ten countries in West Africa: Benin, Burkina Faso, Cote d'Ivoire, Ghana, Guinea, Mali, Niger, Nigeria, Senegal and Togo, and in Uganda since 2004. West Africa has supported Tradenet through a regional market information project called Mistowa. (www.mistowa.org/en/index.htm) Partners in West Africa include CSIR, FAO, IFDC, Technoserve and USAID. In Uganda, partners include ACDI/VOCA, CIAT, DANIDA, FoodNet, IITA and Radioworks. (See: www.tradenet.biz-available in English, French, Portuguese, and Spanish).

Conclusion

The Tradenet software platform aims to make African markets more transparent and efficient. It provide stakeholders with regular information to improve their negotiating position and support better decision-making in terms of which crops or livestock products to produce, where and when to sell produce, and when to store, in order to maximise profits. The use of a reliable information platform allows for rapid data management and plays a key role in reducing the costs of information sharing. Given this new approach based on outsourced management, we believe that future market information services will be operated by trader groups, banks, radio operators, farmers' associations and/or NGOs. This new constellation of potential operators can mean that market information will be more readily available to farmers in the future at a price that is attractive to service providers and farmers alike.



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