The Use of Market Information in Food Security Analysis

Anabela Mabota

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The Presentation

- Source of Information
  - SIMA (QQ)
  - SIMAP
  - INFOCOM
- Use of Information
  - Questions to be answered
  - Analysis (Type of analysis)
  - Limitations
- Perspectives
The Ministry of Agriculture in its effort to better understand the food crisis since earlier 90’s has been developing instruments to capture the dynamics of markets such as the SIMA.

Main Activities by SIMA
Notes:

1. The maize from the North rarely flows to the South.

2. In the Central region flows to Zimbabwe are not frequent.

3. The South is more related to South Africa in terms of flows of several commodities.

4. Also form SA comes maize to supply industries.

5. There is more trade in terms of maize between Center – South for the informal sector.

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**Information System: SIMAP**

- **What SIMAP Is:** It is an adapted instrument that help to monitor the agriculture market price and other relevant information at provincial level.

- **The objective of a decentralizing marketing information:** Is to adapted information systems into the local needs in terms of coverage of markets and products monitored in order to support better policy intervention to problems locally detected. We have now 4 systems that are working in 4 provinces: In Nampula, Manica, Cabo Delgado and Tete.
Why Is Important to Understand The provincial Context: (1)

- It is important to understand each market context through market profiles which
- Its important to understand the role of each player at local level: I
- Market opportunities:

Why Is Important to Understand The provincial Context: (2)

- There is some local markets characteristics that need to be understood with respect to:
  - location of markets: Remotness it is a problem (local policy)
  - Also there are comparative advantages with respect to: Production vs. Deficit areas (the role of market integration).(local policy)
  - Natural disasters: which is commum caracteristics that may need a comprehensive approach (National Policy)
- There is need to undertand the role of “Cross Border Trade” in context food access.(Regional policy)
Information System: Infocom

- Ministry of Industry and Commerce
- Objective:
  - Provide information:
    - to small traders within the big cities (supermarkets with some strategic goods) and
    - Big traders (Regional and international perspective) for importation purpose

Use of Information
Main questions to be answered

- What are the current commodity prices? Imported product prices? Origin of the commodities?
- How the prices look compared to average or previous year?
- How the prices are compared spatially across different regions? What are the trends (outlook)?
- What are the possible implications
- Are there changes in the market structures

FEWS NET Analysis

- Analyses data collected by the Agricultural Market Information Systems (SIMA) on retail, farm gate, wholesale, imported goods, prices, trade flows and seasonality, transportation cost, availability of goods
- Household Food access
- Market prices and trends
- Flows and seasonality
Examples

![Graph showing trends over time for different locations.](image1)

![Graph showing trends over time for different locations.](image2)
**Limitations**

- Limited coverage
- Baseline information
- Data of Imports and exports (formal);
- Livestock prices, input prices, labor markets.

The market information system (MIS) does not collect this information. This information is not readily available, but collected in ad-hoc basis. Price information on cash crops, vegetables/fruits would also be important.

- Overlook policy implication

**Perspectives**

- FEWS NET and partners intend to develop market baselines (or market categorization), which will provide essential information on key markets aspects.

- Revitalize the SETSAN Market Working Group to strengthen market analysis. This group should be proactive and compelled to address emerging market issues.

- Specific studies to better understand the role of market and its impact on the livelihood
What is Needed

There is need for:

- Baseline information
- Better monitoring instruments, in order to ensure reliable information for the intervention
- Human resources and capacity
- Better policy design
- Better coordination at national and regional levels (integrated approach)