

Understanding markets: market research and intelligence

The Proposition

Markets are rapidly changing, reflecting globalization, concerns on food quality and safety and the dynamic growth of modern food distributors and retailers. Understanding markets and requirements for access to modern distribution channels requires information, but if existing information service providers are not revamped and restructured, no progress can be made.

Rationale and recommended response

Market information is the key to commercial success in the agro-industrial sector where products can be highly perishable and transaction periods are short; where demand and supply are highly price sensitive, where existing markets are becoming increasingly differentiated and entirely new markets are emerging; where product specifications and buyer requirements are becoming increasingly complex; and where there is increasing competition in both domestic and export markets.

With new information and communications technologies, comprehensive market information is now accessible on a "real time" basis, permitting rapid, fully-informed planning and decision-making by both buyers and sellers. Expectations have risen accordingly. Buyers now expect prospective suppliers to meet more exacting demands more quickly and to adjust their business practices accordingly.

Some developing country suppliers have taken up the challenge and established their own research and information acquisition capacities. New, specialized private sector information services have also come "online". However, marketing information is often regarded as a 'public good' that should be provided by the public sector at no charge, with the consequence that public services are under resourced, slow and in many cases 'not fit for the purpose'.

There are, however, examples of effective public and private sector response to the opportunities and challenges confronting information acquisition and dissemination in the agro-industrial sector. They involve complementing private sector initiative within the context of an informal public-private sector partnership in information provision.

Focus of the debate

- 1 What are the market trends in agri-business on which information providers in developing countries should focus the greatest attention? What are the types of information that would be of greatest use to the domestic agro-industrial and agri-business enterprises which are engaged in, or could become engaged in, these markets?
- 2 What are the best models for providing information on agro-industrial markets? What technologies and systems are most effective? What public-private partnerships should developing countries establish to deliver this information?
- 3 What is the specific role of the public sector in information acquisition and dissemination as it relates to the requirements of the agro-industrial sector? Why have the majority of public sector information services been slow to respond to the sector's evolving information and research needs? How can these constraints be realistically, and effectively, overcome?
- 4 What are the information needs of the weakest participant in the agro-industrial sector: the small-scale farmer? How can the national information effort respond more effectively to the smallholder's information requirements?



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Roundtable Proposition 1

Timothy Williams is an agricultural economist with over 25 years experience in small and medium enterprise (SME) development, policy analysis and policy advisory work. He currently heads the Enterprise and Agriculture Section (EAS) at the Commonwealth Secretariat. His professional work has focused on assisting governments in developing countries to develop policies to make markets work better for smallholder farmers and to address the challenges that SMEs face. Prior to joining the Commonwealth Secretariat, he was Research Team Leader and West Africa Representative of the International Livestock Research Institute (ILRI), one of the 15 centres of the Consultative Group on International Agricultural Research (CGIAR). He earned a doctorate degree in agricultural economics from Oxford University.



Professor David Hughes is a UK national and is Emeritus Professor of Food Marketing at Imperial College London, and Visiting Professor at the University of Kent Business School and at the Royal Agricultural College, U.K. He is a speaker on management advisor on global food industry issues, particularly consumer trends, and is a strong proponent of building vertical alliances between key chain members in the food industry – farmers, life science and input companies, ingredient firms, food and beverage manufacturers, retailers and food service. He has lived and worked in four continents and has extensive experience as an international advisory board member with food companies and organisations. He is a Non-Executive Director of KGG – a U.K. farmer-owned berry fruit business (US\$260 million turnover) and on the Advisory Board of Rabobank, UK.

Graham Dixie is an experienced marketing economist serving as Senior Agribusiness and Marketing Specialist with the World Bank (South Asia Division). He has had extensive consulting experience with FAO, The World bank and IFAD and has written on marketing extension for AGSF. He has extensive field experience in Africa, Asia and the Caribbean. He is well known for his work on Information and Communications Technologies (ICT) and Access to Market Information and Enterprise Development.



Kofi Debrah is the Head of the Policy and Marketing Programme at the International Fertiliser Development Centre (IFDC). He operates the USAID funded Regional Market Information Systems and Traders Organizations project (MISTOWA). It works to put more information into the hands of producers and traders by making the market more transparent and efficient, and assisting them to make decisions about what and how much to grow, who to trade with, when to sell, and for how much. MISTOWA is headquartered in Accra, Ghana with satellite offices in Benin, Burkina Faso, Mali, Nigeria, Senegal and Togo.

Moderator: Edward Seidler is a graduate of the University of London with a Masters Degree in Agricultural Economics (Marketing). He is an agricultural marketing specialist who has worked with the Food and Agriculture Organization (FAO) for the past 33 years. He is the Senior Officer (Marketing) in FAO's Rome Headquarters. Before moving to Rome in 1983, he worked for 13 years as a marketing and planning specialist in East and Southern Africa; he has travelled widely in Africa, Asia and the Pacific, Eastern Europe and the Caribbean. Mr Seidler has been involved in supporting wholesale market projects in a number of countries in Asia and in Eastern Europe and has worked extensively on linking farmers to markets, marketing extension and marketing policy formulation and evaluation.

