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“Development on the margin”

ICT-based Market Information Services Show Modest Gains in Ghana’s Food Commodity Markets

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Abstract

The role that information and communication technology (ICT) based market information services can play in linking small scale operators to markets have not been overlooked in existing policies on agriculture and information communication technologies in Ghana. The ICT4AD (ICT for accelerated development) policy and the Food and Agricultural Sector Development Policy documents attest to this fact. Government as well as private sector agencies have made modest investments in the provision of such services in the last decade. The Esoko/Tradenet platform which makes price information available through mobile sms, the Community Information centres and the Agricultural Informations centres in selected markets are projects implemented after 2006 to boost market information flow. How small scale marketers and producers of agricultural commodities have responded and whether there has been an impact on price integration between source and destination markets for staple food commodities is the concern of this paper. Primary data from 11 markets and 486 marketers was used to describe the current practices and firm level performance. Monthly price data from 2004–2009 was used to fit the Ravilion-Timmer model to show the extent of market integration between rural and urban markets. The results of the study showed that the mobile phone is the single most important ICT tool that is facilitating the speedy dissemination of market information on prices, volumes, road condition, among others. Complementary services such as good road surfaces and networks, good condition cargo vehicles, adequate urban market spaces and facilities and low-cost packaging and handling services are lacking. As a result there is limited market integration; the market connectedness values showed that there is short run integration for groundnut but not for maize and yam. The conclusion is that ICT-based market information services should continue but more should be done to improve the broader market infrastructure base in the country.

Keywords: Food staples, Ghana, ICT, market information