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PROVIDING MARKETING INFORMATION TO SMALLHOLDERS IN ZIMBABWE: WHAT CAN THE STATE USEFULLY DO?¹

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In recent decades, significant international assistance has been provided to assist the establishment of market information systems (MISs) in a range of developing countries, including many in Africa. However, experience with state-run MISs, looking to provide current price information to market participants, has not been encouraging. Volatile horticultural markets provide particular challenges for such MISs. Therefore, it is suggested that it might be more appropriate to provide other types of marketing information to inform the production and marketing decisions of smallholder producers. This paper reports on recent efforts by the national extension agency, Agritex, to provide such information to smallholder horticultural producers in two districts of north-eastern Zimbabwe. Drawing on an initial evaluation of this pilot programme, the paper suggests that: 1) in the Zimbabwe case, the extension service may provide a viable vehicle for dissemination of marketing information to smallholder (horticultural) producers; 2) information on new crops and market opportunities is valued more highly by farmers than information on current market prices; 3) such information should complement, not supplant, traditional production extension advice. The paper concludes by considering some of the issues pertaining to the continuation and expansion of the pilot programme.

1. INTRODUCTION

In recent decades, significant international assistance has been provided for the establishment of market information systems (MISs) in a range of developing countries, including many in Africa. These efforts have focused on

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the collection and dissemination of current price information in major assembly, wholesale and retail markets, in an attempt to make these markets more transparent and hence competitive. The results, however, have often been disappointing and/or unsustainable and have prompted a reconsideration of what can and should be done to improve the information available to players in such markets, especially smallholder producers. This paper briefly reviews some of the recent literature on types and provision of market(ing) information in developing countries. It then reports on recent efforts by the Zimbabwean national extension agency Agritex, in collaboration with Belgian-funded NGO VeCo, to provide useful information to smallholder horticultural producers in two districts of north-eastern Zimbabwe.

2. DIFFERENT TYPES OF INFORMATION AND MARKETS

In a recent review of the theory and practice of marketing information provision in developing countries, Shepherd (1997) distinguishes between *market* information, which basically consists of data on prices and (sometimes) quantities, and *marketing* information. The latter is "a much wider concept, which is likely to include details on potential market channels, payment requirements, packaging, quality and a whole host of information required by a producer to make a successful sale, including market information" (p5).

He then further disaggregates market (price) information into *current* and *historical*. The former is information, gathered and disseminated on a regular basis, on prices prevailing in chosen markets at the time in question. The latter is data compiled over a period of time and analysed to inform decisions about planting or storage, government planning and early warning.

State-run MISs have generally aimed to provide current price information to market participants. In theory, such information is useful for informing farmers' selling decisions and for improving the efficiency of arbitrage. However, there are a number of problems with it, even in a well-run MIS. A key concern is that "prices move too rapidly for available information to serve as more than a guide to likely returns" (Shepherd 1997, p8). This is particularly so where crops are highly perishable, as is the case with much horticultural produce.

Current price information has to be regularly provided on a timely basis if it is to be useful to market participants. By contrast, the usefulness of historical

price information is much less dependent on precisely when it is made available, although it is helpful to producers to have access to the most up-to-date information prior to planting. Given the logistical and other difficulties of operating any MIS in Africa, this is potentially a major advantage. Provision of historical market information does require a certain degree of prior analysis. This, however, can be undertaken once by a central MIS office, then the resulting information distributed to any number of intermediate or end users.

In addition to distinguishing different types of information, Shepherd (1997) also makes an important distinction between two types of markets:

- A) those that receive supplies throughout the day, such that prices remain fairly stable within the day and often from one day to the next;
- B) those where produce arrives before market opens and where the market closes once that produce has been sold. In such markets, prices normally start high, as many buyers compete for the best quality produce, but decline significantly by the end of the market day, as sellers try to offload their remaining produce so as to begin their journey home.

It is clear that reporting prices for a type B) market will be much more difficult than doing so for a type A) market.

3. MISs IN PRACTICE

Shepherd reports on a recent FAO survey of 120 countries, which found 53 functioning MISs devoted largely to the collection and dissemination of current price information. He concludes (p4):

“Unfortunately, the track record of such services around the world has not, on the whole, been very satisfactory. ... the vast majority of services cannot be considered to provide commercially useful information for farmers and traders.”

Given the “public good” nature of current price information, it has generally been assumed that it is the state’s job to provide it to producers and other market participants. However, the lack of resources and inefficiencies of many state agencies, particularly in Africa, have contributed to the poor

performance of many MISs and meant that, even where effective systems have been established, they have rarely continued to perform once the supporting donor has pulled out.

Shepherd also catalogues a range of problems with the practical data gathering exercise that is fundamental to the value of any MIS. One of the most intractable is that many developing country markets do not use standardised weights and measures. Similarly, quality standards may differ across individual deals, markets and over time. There are also numerous practical problems impeding the dissemination of data, once collected. Whether disseminated over the radio (expensive) or through the general government administration to local level, prices rarely reach market participants in time to be of much use. Only 13 of the 53 MISs in the FAO survey managed daily price dissemination.

Given this experience, Galtier and Egg (1998) question the basic value of current price-based MISs. They surveyed participants in the grain marketing system in Mali, where the MIS is held to work well at a technical level, but found that, even there, the price information supplied was of limited usefulness to any of the main market participants. Producers, for example, tend to know the prices in the most local markets and have few opportunities to sell outside these markets, due to lack of transport and/or credit contracts that bind them to a particular buyer. Instead of a traditional MIS, Galtier and Egg suggest that interventions be made to overcome specific information-related problems in the functioning of the markets in question.

An alternative approach is to provide *marketing* information, rather than (just) current price information, to farmers. Lee (1984) proposes the concept of marketing extension workers (MEWs), whose job is "to advise farmers on what crop and variety to grow in the coming season and at what time." Advice should cover new crops and market opportunities, plus forecasts of market trends and expected price movements, to assist farmers in their production planning. Lee also sees a role for MEWs in assisting coordination between farmers and traders / processors. MEWs might make arrangements for "regular and continuous shipment" of produce from farmers (especially valuable for fruits and vegetables), and work with farmer groups to coordinate staggered planting and marketing, so as to avoid glutting local markets. However, none of Lee's main examples of marketing extension services are taken from Africa. The replication of the MEW model in Africa depends on the existence of a reasonably well functioning (and resourced)

extension service and on the ability to train new or existing personnel in marketing skills.

4. MARKETING EXTENSION PILOT STUDY IN ZIMBABWE

Horticulture has been an important growth area within Zimbabwean agriculture since Independence. Growth has occurred within both the large-scale commercial farming sector, supplying domestic and export markets (Muchena, 1994), and the smallholder sector (Jackson, Turner *et al*, 1997). The Harare market, in particular, is extremely competitive and smallholder suppliers have to compete with large quantities of high quality produce from commercial farmers. Therefore, whilst commercial producers generally supply wholesalers serving a range of market outlets, the majority of smallholder produce is sent to a central producers' market at Mbare Musika (van Santen 1996, Bockett, Boyd *et al*. 1997, Gordon 1997, Mabaya 1998)⁷. In terms of the classification given above, this is a type B) market, where prices can fluctuate wildly, both from day to day and even within a given day. As the majority of smallholders engaged in horticultural production grow a very restricted range of crops (especially tomatoes, leafy vegetables, green mealies, cabbage and onions), there are also periodic problems of glutting. With better information, however, there is potential for some smallholders to diversify what they produce, vary their times of planting and target higher value marketing channels.

In late 1998 a team from the Marketing section of the national extension agency, Agritex, set out to identify and satisfy the marketing information requirements of horticultural producers within Mutoko and Mudzi districts, north-east of Harare. The team worked with the provincial horticultural subject matter specialist, Agritex district staff and staff from the Belgian-funded NGO VeCo in the two districts.

In Mutoko, by the standards of communal areas, access to both water and Harare markets is relatively good. Horticultural production takes place both in "dryland" gardens and on irrigation schemes. A few smallholders have been producing vegetables here since the 1970s, whilst, more recently, an EU-

⁷ Only during times of shortage do middlemen from Harare venture into smallholder production areas in search of specific horticultural produce. As a result, most farmers selling to urban markets have to organise their own transport, whilst those middlemen who do operate in rural areas are often felt by farmers to offer unjustifiably low prices.

funded project provided technical advice and assistance with transportation. For some households, horticultural production is now the main source of income. Horticultural crops are grown year round and the district is renowned as a tomato growing area. In larger gardens, farmers claim to grow two or more hectares of horticultural produce after the main rains.

Mudzi is both more distant from Harare and drier, but some horticultural production takes place throughout the year on a number of small-medium scale irrigation schemes. Individual plots on such schemes are small (typically, less than 0.2ha) and are often managed by women. Many men seek work either in the district capital, Kotwa, or outside the district, leaving their wives to grow vegetables. By contrast, in Mutoko, men have a much more dominant role in horticultural production and marketing.

Particularly in Mudzi, where levels of horticultural production are still low, markets within the district can absorb much local output. In addition, in both districts, farmers living close to the Harare-Mozambique road sell produce to passing motorists. However, Mbare Musika remains the main outlet for marketed surplus in Mutoko.

Initial meetings were held, between February and April 1999, with horticultural producers at nine sites. Four of the nine sites were irrigation schemes within Mudzi district, whilst the five sites in Mutoko reflected the importance of "gardens" to horticultural production in this district. Rather than capturing a cross-section of horticultural producers, the Mutoko sites targeted those who were more progressive and/or better organised in their production and marketing activities. The initial meetings aimed to identify constraints to horticultural production and marketing that producers faced and to suggest actions that could be taken to overcome many of them.

Following these meetings, Agritex and VeCo staff divided up responsibility for addressing the various problem areas identified. The Agritex Marketing section investigated the possibility of marketing produce across the border in Mozambique and conducted a study of the weekly market at the border town of Nyamapanda, concluding that neither presented particularly attractive opportunities to producers at the sites concerned. Links were established with one seed and one chemical supplier, who met producers at target sites in both districts. The seed supplier provided producers at some sites with improved tomato, cucumber, beans and rape varieties to be grown on demonstration plots. Staff from the Marketing section also organised a visit (in September) to

the two main independent wholesalers in Harare. Two representatives from most sites participated, learning about the terms on which the wholesalers concerned do business and about some of the seasonal market opportunities that existed for particular commodities.

The two wholesalers also compile this latter information into tables to be used by their buyers. These tables were made available to extension agents in Mudzi and Mutoko districts during the winter season as part of an information pack that also included agronomic information on several unfamiliar crops and details of crops that sensibly could be grown simultaneously within the same irrigation rotation.

In addition, current price information was collected and disseminated in a number of ways. Weekly average prices from a number of markets within Mashonaland East province were sent from the Agritex provincial offices in Marondera to all district offices within the province. The weekly average producer prices from the major urban markets, assembled by the Agritex Marketing section, were also disseminated to the Agritex offices in Mudzi and Mutoko districts. In addition, a free slot was obtained to broadcast these prices on Radio 4 somewhere between 4.15 and 5.00 on Friday afternoons. Finally, weekly surveys of four markets in Mudzi district were organised by VeCo (with the participation of Agritex staff) and the assembled price information was made available to irrigation farmers' representatives through regular meetings of the VeCo-supported Mudzi Horticultural Development Association (HDA).

At the end of October 1999, an evaluation was carried out by the authors of this article to assess the effectiveness of the horticultural marketing extension activities to date and to identify any initial impacts from the provision of marketing information. Each of the nine sites was visited and two group questionnaires administered (generally one with those men present and one with the women). In addition, informal discussions were held with the relevant extension officers, with their district managers and with VeCo staff.

5. RESULTS OF THE EVALUATION

Although the original intention had been to disseminate most of the information to producers at the nine sites by early April, in time to influence their planting decisions for the main winter season, little information was actually received by then. More information had been received by August/

September and in some cases this had influenced the choice of crops in the ground at the time of the evaluation. However, the extent to which the information supplied to extension officers had been shared with farmers depended on the confidence of the individual officer in handling it.

Considerable interest had been generated by the visits to the independent wholesalers and by the contacts with input suppliers. However, there was wide variation in the extent to which the information gathered during the visit to the wholesalers had been disseminated to the other farmers at the sites. At three of the irrigation schemes in Mudzi, members hold a weekly meeting with the extension officer responsible for their ward. These meetings provided an excellent opportunity for feedback and information sharing. By contrast, those who had participated from one site in Mutoko claimed that it had proved too difficult to organise a feedback meeting, whilst the women at another site complained that a few men in their group kept most useful information to themselves.

Regular dissemination of current price information had generally proved problematic. In Mudzi, prices could be relayed to irrigation scheme members at the regular weekly meetings, but only as and when such information was received. Mudzi HDA generally meets once per month. Receipt of price information through Agritex was erratic. Similarly, in Mutoko, although the Agritex district office was extremely creative in search of ways to get price information to field staff, transport and other difficulties meant that there were inevitably delays in getting prices to farmers.

A few of the respondents in Mutoko had sold produce to one or both of the main independent wholesalers during the couple of months preceding the evaluation. In two cases this was prompted by the organised group visit, as the farmers concerned then realised that they already had crops in the ground that they could sell through the new channels. All sellers claimed to have received prices considerably in excess of what they could have achieved at Mbare Musika on the same day. However, one group of respondents also noted that the independent wholesalers do not make immediate payments, requiring poor producers to make an extra visit to Harare just to collect their money. Other respondents felt that they simply could not meet the quality requirements of the independent wholesalers, so would continue to use their existing marketing channels.

Transport also posed a problem for producers wishing to sell to the independent wholesalers. Rural buses only go to Mbare (the site of the main terminus). Meanwhile, truck operators are reluctant to make a diversion to the wholesalers' premises, where they have to unload the relevant produce, wait while it is inspected, then reload that which is rejected as being of unsuitable quality, before finally proceeding to Mbare. Despite these reservations, several groups stated their intention to target the independent wholesalers with future harvests.

Many other respondents expressed an interest in growing a variety of new crops, but invariably needed more technical advice before being confident to translate this interest into action. However, conversations with both producers and extension officers suggested that the programme was encouraging a change in thinking - towards greater market orientation - on the part of some groups who had previously treated marketing as merely an add-on to their production activities.

Perhaps not surprisingly, given the identity of the evaluators, respondents were unanimous that Agritex and VeCo should continue to supply marketing information. Respondents generally felt they had few other sources of reliable marketing information. Although other farmers were commonly relied upon, this source of information was not entirely trusted, as people like to keep details of attractive opportunities to themselves.

Most respondents also expressed a clear preference for information on crops and market opportunities, rather than current price information, if Agritex had to focus on one or the other. Respondents noted that current price information is often slow to arrive and does not tell them what prices they are likely to receive, as prices are notoriously volatile, particularly at Mbare. Few respondents had listened to the prices broadcast on the radio, chiefly either because they were unaware of the broadcast or because they were generally still busy with other activities at that time of the evening.

These comments notwithstanding, a few interesting examples of the value of current price information were encountered. Where producers make farmgate sales, information on prices prevailing in other markets is useful in setting appropriate prices. One group of respondents who send produce to Harare said that, if Mbare prices are low, they might try to send their produce to market with someone else. Not only would this economise on transport costs, but the quoted price would relieve their suspicions if their colleague came

back reporting a relatively unremunerative trip. Finally, "sharp" farmers make a mental note of current price information and gradually convert it into historical price information over time. They then use this to inform planting decisions.

Although valuing marketing advice, respondents emphasised that they also still needed production advice from Agritex - particularly if they were to successfully exploit the new market opportunities that they were being informed about. The evaluation also highlighted the need for additional training for extension officers, so as to build their confidence in using the new information provided to them.

6. CONCLUSIONS

Although still at a very early stage, the initial experience of the pilot marketing extension programme in Mutoko and Mudzi suggests that there is a role for a reasonably effective extension service, such as Agritex, to play in the provision of marketing extension to smallholders. The emphasis on marketing within extension activities should not be at the expense of production advice, however. Rather, increased marketing awareness within the extension service will enhance the value of its production advice to clients. Furthermore, initial feedback from farmers supports the consensus emerging from other countries that the emphasis within marketing information provision should be on highlighting market opportunities - not just on gathering and disseminating current market prices.

Whilst improved information flows are valuable, however, farmers still have to overcome other constraints to enhanced production and marketing activity. Perhaps the most important of these are access to transport and problems with produce quality (at both pre- and post-harvest stages). Both are exacerbated by capital constraints. It is too early to say how widely the benefits from increased information provision will be spread, but it seems inevitable that some farmers (the more enterprising, who are rarely the poorest) will benefit more than others.

The Marketing section of Agritex intends to continue and expand the activities piloted in Mutoko and Mudzi. There is a need to broaden coverage within these two districts, extending the new information to other sites and working to ensure a more even dissemination even within the original nine sites. The

next step will then be to take the experience gained to other districts and provinces.

A critical question for the pilot programme is that of sustainability. The activities in Mutoko and Mudzi have received recurrent cost support from the Crop Post-Harvest Programme of DFID, mainly to fund the field activities of Harare-based Agritex staff whilst the basic approach was being piloted. There is some confidence that the work within the two districts can now continue largely within the ongoing Agritex programme and budget. However, if the pilot activities are to be replicated elsewhere, some additional resources are likely to be required. A priority is to find a way of reducing the input required from Harare-based staff. Once local officers understand the basic approach, however, there are considerable economies of scale in collection of relevant information by the Marketing section in Harare and provision of this information to provinces and districts.

Another important question concerns the incentives facing Agritex staff to continue to provide up-to-date information to producers. The model of developing marketing information activities in collaboration with a committed NGO partner such as VeCo may provide some assurance of continuing good performance.

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