

# **Economics of Information and Its Implications for Agricultural Market Information Systems Design and Impact**

## **Abstract**

This article presents the key conceptual issues related to the provision of improved agricultural market information and their implications for the design of Agricultural Market Information Systems (MIS) and their impact. The article presents the role of MIS in agricultural marketing; the characteristics of information such as indivisibility, nonappropriability, non-rivalry, quality uncertainty, perishability; and the environment in which an MIS operates that affects the demand and supply of improved agricultural market information. The main analytical question addressed in this article is: given some of the characteristics of information and the environment in which the MIS operates, what are some of the ways of funding MIS activities? The article identifies 4 ways of funding MIS activities: (1) administrative or government funding using tax money; (2) a combination of administrative funding, donor funding, and private effective demand; (3) tie-in-sale of market information and members fees; and (4) private effective demand through subscriptions fees and information sales. The article concludes with a discussion of the complementarity and endogeneity of agricultural market information systems with other government programs and the likely attribution problems that may arise when one conducts an impact assessment of MIS on market performance indicators.

## **Presenter Description**

Andrew is an Assistant Lecturer in the Department of Statistics and Actuarial Science in the School of Statistics and Applied Economics in the College of Business and Management Sciences at Makerere University. Andrew worked as the Project Coordinator of the FOODNET Market Information Service (1999-2003) and as a Social Economist-Marketing (1997-1999) under the International Institute of Tropical Agriculture, Eastern and Southern Africa Regional Centre (IITA-ESARC). Prior to that, he worked as a Research Assistant on Drawers of Water II (Domestic Water Use and Environmental Health in East Africa)—a collaborative research initiative through the Uganda Community Based Health Care Association, London School of Tropical Medicine, International Institute of Environment and Development, and Makerere University Medical School (1997). He also worked as a Statistician/Data Supervisor with the Rakai Project in the Ministry of Health through Uganda Virus Research Institute, in collaboration with Columbia State University, John Hopkins University and Makerere University Medical School in 1996. Andrew also worked as a Statistician in the Statistics Department (presently Uganda Bureau of Statistics (UBOS)) in the Ministry of Finance and Economic Planning of the Government of Uganda from February 1995 to May 1996. Andrew has a Bachelor of Statistics, a Post-Graduate Diploma in Statistics (Class One), and a Masters of Statistics all from Makerere University. He also has a Master of Science Degree and a Ph.D in Agricultural Economics from Michigan State University. Andrew's current research areas are in design of alternative agricultural market information systems and analysis of the impact of improved agricultural market information in sub-Saharan Africa. Andrew has worked in USA, Kenya, Rwanda, Nigeria, Tanzania, Ethiopia, Mozambique, Zambia, and DR Congo.