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Cameroon: Farming in the dark

Poor farmers have little chance of getting a fair price for their produce if they don't know how much markets beyond their villages are willing to pay. The internet is leveling their playing field through schemes such as INFOSHARE, which is giving access to the latest market news to thousands of remote cocoa and coffee farmers in Cameroon.

The Story

Knowledge is power, and lack of knowledge about markets and prices is a key factor in keeping poor farmers around the world "dirt poor." African producers of cocoa and coffee, for example, earn as little as one twelfth of the international market rate for their crops. In the dark over the prices being realised in local as well as world markets, they remain at the mercy of middlemen, traders and corporations. What is true in Africa, is equally true in Asia or Latin America.

Increasing farmers' access to knowledge of markets and prices has long been a central plank in efforts to break out of the poverty cycle. It is a strategy now given a massive boost by the opportunities new information technology can provide in helping to bring knowledge to even the remotest farming community. One example of this new potential is a technical assistance project called INFOSHARE, which is giving commodity producers access to the information they need to negotiate better prices and get their produce into higher-paying markets. Cameroon, with about 900,000 cocoa and coffee smallholders, is testing the system and early interest indicates it will expand into other countries and crop sectors as soon as 2006. Villagers without access to the internet will be able to get this information twice daily from national radio broadcasts and use it to set prices that are both fair and realistic. It is estimated that greater market transparency in Cameroon will enable small-scale farmers to increase their returns by 10 to 15 per cent. INFOSHARE is run by the UN Conference on Trade and Development (UNCTAD), which has designed this information-sharing database system and has trained government staff in its use. It is part of INFOCOMM, an UNCTAD internet portal that provides, free-of-charge, pricing, product and market information on some 20 commodity sectors. INFOCOMM is currently being used by 12 to 15 million people worldwide, 60 per cent of them in developing countries.

The Context

- When average world commodity prices rise, profits tend to go mostly to large trading companies, not to the small-scale farmers. For example, although in 2003 the prices of cocoa and coffee rose 27 per cent, coffee farmers have seen their share of the take from a package of coffee sold off the supermarket shelf fall from 37 per cent in the early 1990s to between 6 and 8 per cent in the new millennium. Cocoa producers get about 7 per cent of the supermarket value.
- Another reason poor farmers don't profit from price gyrations on the world market is that they must sell at harvest because they can't afford to stockpile. Any gains go to middlemen and traders.
- Without information on which to base their production, small-scale farmers also have no way to hedge against overproduction. With advance information, they could plant less or attempt to diversify.
- Some agricultural commodity markets are also in disarray as a result of genetically modified strains which disenfranchise poor producers. New cotton strains, for example, are now raised

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in one fourth of the world's cottonfields - up from 2 per cent in 1997. Poor producers and harvesters don't see a penny from most of these crops because they are planted and managed by cartels.

- Like INFOSHARE, several other projects around the world are helping poor people improve their lives. In rural India, the Infothela is a vehicle resembling a rickshaw which uses a pedal generator to keep an onboard computer running, providing free wireless internet access to people in remote villages. Infothela services include: "human ATMS" -- microfinance corporation employees travel to villages to disburse loans; on-line futures trading, offering predictability to farmers' sales prices; biometric identification, and remote disbursement of credit to farmers for their warehouse contents. The project is organized by the Indian Institute of Technology.

FOR FURTHER INFORMATION:

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