

# AN ANALYSIS OF DEMAND FOR

# RURAL MARKET INFORMATION

## IN THE MEKONG DELTA



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*This paper aims to give a better understanding of demand for information of production and market in rural areas of the Mekong Delta. The results from the survey of three selected provinces reveal that most rural people have needs for information in terms of input and output markets such as variety, fertilizer, pesticide, farming techniques and so on. However, their need for information was not satisfied fully regarding accuracy of information, and frequency of information supply. Besides, the survey indicated that most rural people have mainly gathered information they need from TV and radio programs on agricultural extension; while searching for information from the Internet was too difficult in most rural areas currently due to high cost of connection, weak network, and low educational standard, etc. In sum, the information about production and market not only contributes to farming efficiency by farmers, but also partly upgrades an awareness of farmers of the process of applying modern technologies.*

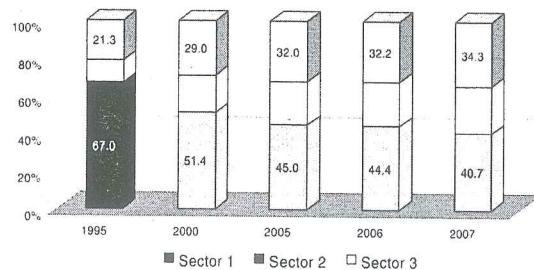
**Key words:** information, rural people, Mekong Delta.

### 1. Introduction

The Mekong Delta not only plays well its role in ensuring the national food safety but also contributes a lot to the export earnings from such staples as rice and aquatic products. Its average growth rate of 13% in the years 2001 – 2007 accounted for 16.7% of the GDP.

Figure 1: Mekong Delta structure of industry

1995 - 2007



Source: Mekong Delta Economic Cooperation Forum, 2008.

Although sectors 2 and 3 in this delta increased steadily over years, the agricultural one still plays an important role because 80% of population and working population are living in rural areas (Ministry of Labor, War Invalids and Social Affairs, 2007). This shows that why rural and agricultural development has become a center of attention for policy makers and researchers in recent years and the problem is called collectively as "tam nông"

(three rural problems) referring to peasants, rural areas and agriculture.

One of aspects associated with production and living of rural residents today is supply of market and production information because it not only serves the agricultural production but also helps improve the economic efficiency when peasants know how to make the best use of information acquired. This paper aims at analyzing the supply of business information in the Mekong Delta in the following aspects: (1) identifying the need for the business information in rural areas; (2) supply and use of business information; and (3) identifying convenience and difficulties in acquiring the business information.

## 2. Data and methodology

a. Selecting areas for the survey: Because the subject of the survey is producers in rural areas, the survey covers producers in crop farming, animal husbandry and sea farming. Selected areas are in provinces of Vĩnh Long, Hậu Giang and Đồng Tháp.

### b. Gathering the data:

- Primary data: They are gathered through group discussions with officials at commune level and local peasants. This method seems more appropriate than the method of surveying peasant families because: (1) Peasant families differ from one another in size, resource and occupation; and (2) the supply of information covers large geographical areas and various occupations and interests instead of being limited to each family. Discussions are about the need for business information, responses to the information acquired, and favorable and unfavorable conditions for peasants' access to business information.

- Secondary data: They are from statistical yearbooks, information from the Ministry of Labor, War Invalids and Social Affairs, and Mekong Delta Economic Cooperation Forum.

### c. Analyzing method:

The paper is based on descriptive statistical analysis (frequency, ratio, etc.), scaling and ranking methods to estimate indicators used for assessing the demand and supply of business information. Results of analyses are shown in tables and figures with a view to presenting relations and distribution of indicators.

## 3. Results and discussions

### a. Demand for production information:

Results of the survey of the demand for information in selected areas show that peasants need information about factor inputs, production techniques and technologies. The Table 1 presents their demand for production information.

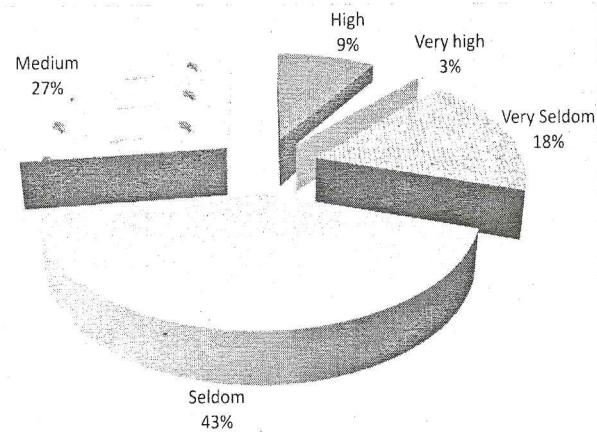
Table 1: Demand for production information

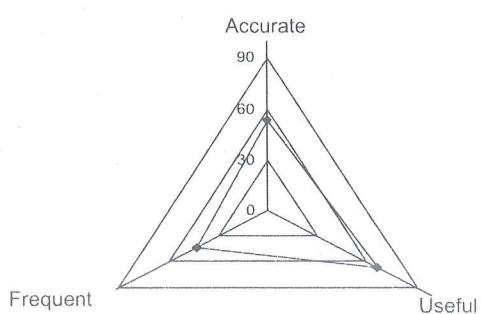
Factor inputs	Techniques	Technologies
- Strains of plants and animals, sources of supply and quality	- Use of agricultural materials (fertilizers, medicines, etc.)	- Farm machines: quality and amortization
- Agricultural materials: how to tell fake from real ones	- Prevention of diseases	- Post-harvest preservation
- New strains and their productivity.	- Crop schedule.	- Farm product processing methods
	- Banned medicines or pesticides	

Source: Author's survey

When asked about responses to information acquired from official sources, over 60% of participants in discussions said that such responses in rural areas were very limited because of poor infrastructure and telecommunications. Moreover, a lot of information they got is from sales promotion programs carried out by sellers of agricultural materials.

Figure 1: Degree and ability to respond to production information





Source: Author's survey

Although 66% of participants in discussions said that production information was useful for producers, the supply of information was not frequent, and it was not updated and accurate. For example, some fertilizers or medicines didn't produce results assured by ads, or the new strains introduced by the Rice Institute had been sold out when participants went there to buy. That is why only 53% and 44% of participants said the information was accurate and frequent enough.

#### b. Supply of production information:

Participants in discussions pay attention to the following kinds of information:

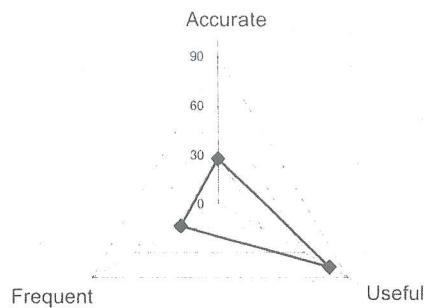
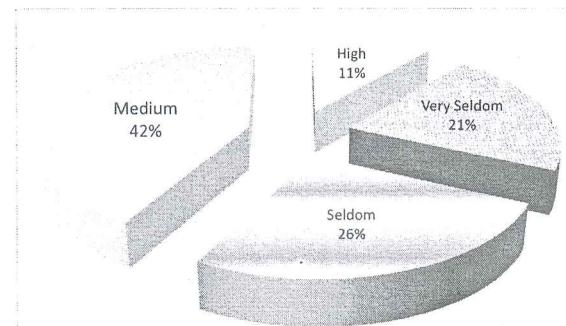
- Price of factor inputs and sources of supply.
- Price of farm products accepted by wholesalers.
- Procedures for trade marks and brand names registration.
- Standards of product quality and procedures for quality registration, and how to meet domestic and foreign standards.
- Predictions of demand for farm products on domestic and foreign markets.

Compared with production information, the supply of market information as shown by the survey results was much appreciated by participants (see Figure 2). Some 77% of them said the market information was useful because it helped them learn about prices of their output, and adjust their business plans to the market demand and supply.

What participants worried about, however, was accuracy and regularity of the information supplied. In fact, their products are usually bought at lower prices by purchasing agencies because of un-

even quality in terms of size or color while mass media rarely mentioned such requirements.

**Figure 2: Degree and ability to respond to market information**



Source: Author's survey

#### c. Sources of production and market information for peasants:

In discussions, participants answered two questions: (1) What are channels of information in rural areas and how are they arranged in order of importance? and (2) How many residents can get information from these channels? Their answers are presented in the Table 2.

**Table 2: Information channel and degree of receiving the information**

Channel of information	Ranking	Degree (%)
Television	1	95
Radio	2	41
Commune PA system	3	58
Training course	4	48
Publication	5	35

Source: Author's survey

At present, nearly 100% of rural families are provided with electricity, and TV is considered as a common channel of production and market information. Although most of them have TV, rural

residents usually get information from radio because it is convenient and cheap (they can listen to the radio when working on the fields). In addition, commune PA system and training courses are also useful sources of information.

The third column of the Table 2 shows degree of receiving the information. Up to 95% of residents can get access to useful information from TV because all TV networks offer programs on agricultural extension, farming techniques and experience, and prices of common farm products. In addition, peasants can get information from magazines, newspapers, and especially, publications by agricultural extension agencies, universities, institutions, and farm materials companies.

d. Convenience and difficulties in acquiring the business information:

- Convenience: the survey shows that rural residents enjoy many favorable conditions when getting and using production and market information:

+ The national grid reaches all communes and rural residents can employ TV and computers to get information.

+ General educational level is improved steadily.

+ Means of conveying production and market information become more and more diverse.

+ Many NGOs support programs to supply information and techniques of analyzing it to rural residents.

+ Training courses provide rural residents with necessary information and help them get aware of importance of information.

+ Cost of getting information is very low.

+ Rural residents have a knowledge-loving tradition.

- Difficulties: Rural residents also meet with difficulties in getting access to production and market information:

+ When getting information from TV, rural residents should change their routine or schedule to have time for their favorite programs.

+ Information from the Internet is various and complicated, and rural residents seldom get information from this channel because a computer is still expensive as compared with personal income in rural areas, the network doesn't reach communes, subscription fee is high, and most rural residents have no knowledge of computer.

+ Information is sometimes inaccurate and obsolete.

+ Technical instructions supplied by TV programs, unlike direct instructions on the field, are hard to apply to production because ecological conditions and resource employed differ over peasant families.

#### 4. Conclusion and suggestions

a. Conclusion:

- Rural residents' demand for production and market information is on the increase because they know it helps them improve their productivity and economic efficiency.

- The supply of such information is still limited. Some information is sometimes old and inaccurate, which cause difficulties for producers.

- Ability to receive information in rural areas is limited because rural residents usually depend on TV and radio programs on agricultural extension while the Internet is still beyond their reach.

b. Suggestions: Results of the survey and analysis allow the following suggestions about ways to improve the ability to get business information of rural residents.

- Organizations supplying business information should ensure accuracy and timeliness of the information, such as criteria for purchasing the farm products, and purchasing time and place, etc.

- Agricultural extension agencies had better ask for support from NGOs to give training courses and technical assistance in order to enhance rural residents' ability to get information and apply it to their business.

- Conditions for access to the Internet must be improved quickly by establishing access points in peasant clubs in order to reduce costs and create favorable conditions for rural residents■

#### References

- Ministry of Labor, War Invalids and Social Affairs (2007), Census of working population and employment.
- The Mekong Delta Economic Cooperation Forum, see [www.mdec.vn](http://www.mdec.vn)
- General Bureau of Statistics, *Statistical Yearbooks 2007 and 2008*