Abstract:

The study of marketing efficiency is a significant issue in most, if not all, developing countries. Research results that identify opportunities to improve the stability of supply of food products and related prices assist public and private decision-makers in developing countries. The econometric model applied in this paper to study market integration overcomes the shortcomings of the traditional bivariate correlation analysis. It gave a much broader range of results, and showed that almost all sorghum markets in the Sudan exhibited a long-term stable relationship, as indicated by the presence of co-integration. These results could be a useful tool for policies intended to enhance the efficiency of the marketing system. Time-series price data were collected from six sorghum wholesale markets in the Sudan and used to illustrate our arguments.