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Sustainable Aquaculture for a Secure Future

Title: Price transmission and threshold behavior in the African catfish supply chain in Uganda

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The issue of price linkage in the catfish supply chain in Uganda is important because catfish has become an important traded species with exports to regional markets rising even faster than production, yet limited research has been undertaken to understand the linkages and the non-linearity in the price transmission mechanism. This paper explores the issue using monthly price data from January 2006 to August 2013, and applies threshold autoregressive approaches to test for the existence of a long-run relationship and price asymmetry. The results show that prices in the catfish value chain are tied together by a long-run relationship. It is also revealed that ex-vessel and wholesale price adjustments to retail price changes are symmetric while ex-vessel price adjustments to wholesale price changes are shown to be asymmetric. The direction of causal relationships was observed from the retail to the wholesale and ex-vessel markets, indicating that retailers are the price leaders in the Uganda catfish supply chain.

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