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Journal Name:	**American Journal of Experimental Agriculture**
Manuscript Number:	**2014_AJEA_9960**
Title of the Manuscript:	**COINTEGRATION AND MARKET INTEGRATION: AN APPLICATION TO HIDES AND 'POMO' MARKETS IN NIGERIA**
Type of the Article	**Original Research Article**

General guideline for Peer Review process:

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.
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PART 1: Review Comments

	Reviewer's comment	**Author's comment** *(if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)*
Compulsory REVISION comments	**1. Line 10. Cointegration test is not a mechanism to detect whether two variables affect each other. Two variables' mutual influence can be partially tested by a series of causality tests, e.g., Granger causality.** **2. Line 261-264. While the style of "conclusion + policy suggestion/implementation" is prevailing, please make sure that the policy recommendation is realistic and meaningful. I have more concerns here:** **2.1. Why do we need the two price series to be cointegrated? Any economics-wise and intuitively reasonable justifications? The price series are largely determined by either spot market demand/supply, or non-spot/synchronous market non-arbitrage condition. If these are not available, there are still many ways to generate/simulate market price: discount future cash flow, or price-multiple relative pricing, etc. All these models are, on the other hand, implying the possible determinants of price. In a word, I do not see why the prices are (or should be) expected to be cointegrated.** **2.2. While the two goods are related, it does not say the prices are necessarily cointegrated. The link does not warrant**	

	the conclusion that the market is efficient, and lack of the cointegration relation does not judge the market is inefficient (see the two well-known papers, one from Shleifer, one from Vishny). **3. The conclusions are not robust and rich enough. An empirical study usually (I am not suggesting an exclusive list here) either address an important real world unknown phenomenon, or generalize a series of independent abnormality.** **4. The paper stops at the end, implying that the two series are not cointegrated. Can the paper further explain the reason? Is it truly because of the price mechanism, or market illiquidity, or the data problem (structural breaks, for example) that lead(s) to the result?** **5. Before defining this as market anomaly, have the author investigated the related markets?**	

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Minor REVISION comments	1. Please polish the writing and avoid errors over the entire paper (such as in Line 258). 2. In Table 1: Unit root test result of prices of hides in Kano markets, DF value of -3.0842 is significant to reject the null of no unit root.	
Optional/General comments		

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