

# Fishermen's Share in Consumer's One Rupee — A Case Study

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To study the price spread of some of the commercially important fishes, Sakthikulangara (near Quilon in Kerala), the biggest landing centre in our country was selected as primary market and Kottarakkara, Punalur, Kozhencherry and Chengannoor (all in Southern Kerala) as consumer markets. Data on fish prices at the landing centre and at the consumer markets and expenditure on transportation, handling and other marketing aspects have been collected during July to September 1981. Details of classification of purchasers, percentage distribution of the quantity lifted by them and the marketing channels have been studied. The study revealed that the retailers margin ranged from 11 to 25 percent and the wholesalers margin 15 to 37 per cent of the consumer price. Marketing expenses which constitute mainly transportation and handling charges ranged 6 to 7 per cent. The analysis indicated that fishermen's share varied from 31 to 68 per cent.

The recent price escalation of prawns and other quality fishes that resulted from the increased export demand coupled with the rising internal demand due to the overall increase in money income encouraged our fishing industry for the speedy expansion of mechanisation and the motorisation of a number of country craft. Hence fishing in our country is slowly transforming from subsistence to cash crop operation. Technical advances tend to increase the capital requirements which in turn make the fishers more conscious about their fishing surplus which depends mainly on the trends in input and output market. Thus the studies in the trends of fish marketing are highly essential for the formulation of a marketing policy to assure a reasonable price to producers without impeding the interest of the consumers. The purpose of this paper is to estimate the share of fishermen in consumer's one rupee for some of the commercially important varieties of fishes landed at Sakthikulangara. Various components of the marketing margins were also studied bringing out the level of wholesalers and retailers profit. The study, though confined to one landing centre, a limited number of interior markets and only few varieties of fish, indicated how far the middlemen are benefitted in the fishery trade, the extent of marketing expenditure and the fishermen's share in consumers' price. The study would be helpful to identify the usual fish marketing channels, to analyse the structure of the marketing costs and to assess the efficiency of the present marketing system.

## Materials and Methods

For the purpose of this study price data were collected both from producer market (Sakthikulangara) and from the consumer markets (Chengannoor, Kozhencherry, Kottarakkara and Punalur) for some of the commercially important fishes like seer fish, lizard fish, thread-bream, cat fish and flat fish. Every care was taken

to collect the price of each variety at both ends of the marketing channel for the same consignment. Data on components of marketing costs were obtained from traders and other middlemen. Data were also collected on the package charge including cost of basket and ice used and loading charges prevailing at Sakthikulangara. The information on transportation charges has been collected by contacting the truck owners or drivers.

For this study a commodity approach is adopted. For each variety of fish under the study, prices of marketing inputs at various stages were studied following the channel from the producing market to consuming market. A market channel is simply the path of a commodity from the producer to the consumer. For example the fish after the landing pass through a wholesaler and a retailer before its ultimate destination—the consumer or in certain cases wholesaler (or commission agent) that is, processor-wholesaler-retailer-consumer. In our country, bulk of the domestic consumption is only in the raw form without undergoing any sort of processing. Hence, the usual market channel is producer-wholesaler-retailer-consumer.

Before the collection of marketing data, some varieties of fish were selected for the study of price spread. After tracing the marketing channels, each consuming market was selected for each variety of fish. Prices of these varieties were collected at three stages, namely, price received by the fishermen at the landing centre (producing market), the price received by the wholesaler at consuming market and price paid by the consumer. The marketing costs such as transportation costs, packaging charges and loading and unloading charges were collected. At Sakthikulangara fish is landed and marketed every day morning and evening except sundays. The morning landings are mostly from gill netters and the evening landings are from trawlers. There is a per-

manent set of acutioneers at the landing centre. They are responsible not only for bidding but also for getting the money from the purchaser and paying to the fishermen. The study has gone into the details of purchasers and the percentage distribution of quantity purchased by them. Data were collected on alternate days regularly for about a month during July-August, 1981.

#### *Middlemen in fish marketing*

The people engaged in marketing are generally called middlemen. In fish marketing the middlemen involved can be classified as merchant middlemen, commission agents, brokers and auctioneers. The wholesalers and retailers are categorised as merchant middlemen. They take the ownership of the fish, transport it and sometimes storage and dispose it for a gain. Their intention is to cover the marketing costs whatever incurred by them and in addition, to make a profit for their effort and also for the risk taken by them. Commission agents act as representatives for either processors or wholesale dealers. They do not take the ownership of the fish. Brokers or commission men are the middlemen who brings the seller and buyer in favourable terms of exchange. In certain consumer market, wholesalers take the services of such middlemen for quick disposal of their truck load of fish at a reasonable price for which these middlemen get a commission usually a percentage of the total value realised.

#### *Buyers at Sakthikulangara landing centre*

On an average per day about 2,500 people assemble here to purchase fish (July-August, 1981). These buyers constitute agents of freezing plants or processing units, wholesale traders, commission agents, cycle vendors, head load vendors and others. The number of buyers in each of these categories and the percentage of average they lifted per day are given below:

Category	Average number per day	Quantity purchased %
Agents of freezing plants	60	35
Wholesale traders	150	24
Commission agents	90	14
Cycle vendors	500	10
Headload vendors	900	12
Others	800	5
Total	2,500	100

Since the number of buyers are very high, the fish market here is a competitive one. Hence, as compared to many other small landing centres, at Sakthikulangara, despite the high market arrival, fishermen get better price.

#### *Marketing margin or price spread*

Marketing margin is the difference between the price paid by the consumer and the price received by the

fishermen. The components of marketing margins for the fresh fish (without processing) are the wholesaler's margin, the expenses incurred by the wholesaler for packaging, loading and transporting to interior market and the retailers margin. In certain cases the middlemen at landing centre and at consumer market may also enter into this chain and in such cases marketing margin includes their commission also. At Sakthikulangara, trucks are loaded with fish either in single lot on ice bed in equal proportion or in packed baskets. The basket loads generally are sold to cycle vendors or head load vendors. One basket usually contains 60 kg of fish. If the fish is not packed in baskets for quick disposal, it has to be sold out in one lot for which the wholesaler has to seek the services of some middlemen on commission basis or sell to a wholesaler in the consumer market. The break of packaging charge of one basket of fish containing 60 kg is given below:

	Rs.
Basket	10
Coconut leaves	5
Coir	1
Ice	8
Packaging and loading	15
Total	39

The transportation costs depend on the distance to be covered and the vehicle capacity. The nearest market selected for the study is Kottarakkara (35 km) and the farthest is Kozhencherry (80 km). However the sample truck loads to both these markets from Sakthikulangara incurred almost the same transportation cost per kg of fish. It was observed that those trucks destined to nearest markets did not wait to make the truck full with the intention of reaching the consumer market as early as possible, so that the high transportation cost per kg of fish could be compensated by a better price due to early arrival.

Location principles of economics tell us that prices will be lowest at the point of highest production concentration and will increase in magnitude by the extent of transportation cost as one moves away from the centre of production. However, during the survey it was observed that at Quilon market which is about 8 km from the Sakthikulangara, prices of certain varieties of fish were low on certain days compared to that at Sakthikulangara. There are mainly two factors which are responsible for this aspect. One is that some of the arrivals at Quilon market are from the minor landing centres where only traditional fishermen operate. Prices of these arrivals are comparatively low. The other is that even the arrivals from Sakthikulangara are mostly brought by women vendors, whose consignments consists of fish picked up from boats by small boys and very old fishermen, the price of which is far below the market price. Since such aspects create problems in the estimation of marketing

margin it is highly essential to identify the producing centre of the market arrivals in the consumer market. However, such identification is a difficult task. Another difficulty faced in the study of price spread is the wide fluctuation in fish prices. Even the daily variations are very high. Since the price mainly depends on supply, the unsteady and uneven supply causes this fluctuation.

### Results and Discussion

The average price paid by the consumer for selected varieties of fish (in fresh condition), the price received by the fishermen and the components of marketing margins are shown in Table 1.

tion, since the markets selected are within the distance of 35 to 100 km. For all varieties, wholesaler got a better margin than the retailer. The study indicates that the fishermen get a better share for those varieties having high consumer preference. Higher the consumer price, higher will be the fishermen's share in it. In other words for quality fishes fishermen get a better share than for cheaper varieties. For lizard fish wholesalers' margin was more than the fishermen's share in the consumer's rupee. For threadfin-bream fishermen (producer) and the wholesaler shared equally.

To ensure a reasonable price to fishermen for their landings, adequate marketing infrastructure facilities

**Table 1.** Marketing margins

Consumer market	Punalur		Kottarakkara	Kozhencherry	Chengannur
Name of the fish	Seer fish	Lizard fish	Threadfin bream	Cat fish	Flat fish
Price at the producing centre (Rs.)					
(Saktikulangara)	15.00	2.50	2.50	5.50	5.00
Price at consumer Market (Rs.)	22.00	8.00	8.00	9.00	12.00
Fishermen's share % in consumer's one rupee (paise)	68	31	31	61	41
Wholesaler's margin (paise)	15	37	31	19	27
Retailer's margin (paise)	11	25	19	14	61
Middlemen's commission (paise)	—	—	12.5	—	8.5
Marketing expenditure (paise)	6.	7	6.5	6	6.5

As seen from Table 1 fishermen's share in consumer's one rupee for seer fish is 60 paise. Among the 5 varieties selected for the study, the average consumer price per kg of seer fish was higher being Rs. 22 as against the price range of Rs. 8 to 12 of all other varieties. Lizard fish and threadfin bream are the two varieties sold at the consumer market at the lowest price of Rs. 8 per kg. For these varieties the producer (fishermen) received only Rs. 2.50 per kg. Thus the fishermen's share for these varieties in consumer's one rupee in 31 paise.

For cat fish and flat fish which were better priced than lizard fish and threadfin bream, fishermen's share was 61 paise and 41 paise respectively. Wholesaler's margin ranged from 15 paise for seer fish to 37 paise

for lizard fish. Retailers margin was lowest for seer fish (11 paise) and highest for lizard fish (25 paise). Marketing costs which include packaging, transportation and loading and unloading charges, for all varieties ranging from 6 to 7 paise did not show much variation should be developed at least at major landing centres. A fast and efficient transportation system is required for the improvement of marketing of fish which is a highly perishable commodity. This can help substantially to avoid spoilage, to enable the consumer to get the fish in better condition, to channelise the distribution to interior places and consequently ensure better price and returns to the fishermen. A price support policy may be formulated for fixing a price for all commercially important varieties of fish. Establishment of a fishery corporation in the line of

Cotton Corporation or Jute Corporation is highly essential to purchase fish whenever there is a glut in the market or when the prices drift below the level of floor prices. The support price can be made effective only if there is such a purchasing agency with adequate storage facilities. This agency should build a buffer stock which act as a cushion for the support price and reduce the wide fluctuation in fish prices.

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