



FISH MARKETING



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⇒ Introduction:-

Marketing is a process which starts with the decision to produce a saleable farm commodity & it involves all aspect of market structure system, both functioning or institutioning, based on technical and economic consideration & includes both preharvest & post-harvest operations. Four different approaches are considered while studying fish marketing-

- ① Functional approach ✓
- ② Institutional approach ✓
- ③ Organizational approach &
- ④ Pre efficiency approach

The organizational approach attempts to link the structure to market organization (conc.ⁿ ratio, barriers to entry, product differentiation) to the conduct of intermediaries (price determination, competition and the performance of sub system profit margin, technical efficiencies, progressiveness etc.). It is primarily used in comparison among various industrial marketing system. The pre efficiency approach examines the role of prices and their allocative

function in terms of space, time & form. The returns for a production activity are the function of its production & marketing efficiencies in the riverine fish production process.

Nature of fish marketing (Problems of the fisherman related to the fish marketing) :-

For any planned increase in the production of fish an expanded system of marketing is necessary. In most of the developing countries like India there is an inelasticity of supply of fish or relatively low supply elasticity. This is one of the prime limitation of distributional system coupled with perishability of fishery products in high and moderate temp. where population are large & the marketing system is reasonably diffuse. Even if the apparent elasticity is mitigated, yet where markets are not sufficiently developed large supplies in the wake of limited buying support at certain



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Time intervals may often result in distress sale at unduly low prices. The marketing organization is expected to procure and assemble market surpluses from where they originate and thereafter to distribute them among those who do not produce such commodities but have demand for them. Marketing structure can be assessed -

- 1) as efficient if it offers aqua products at prices which realistically reflect demand and supply situation.
- 2) Secondly there should be minimum price divergence from one region to another.

If territorial differences in prices remain confined to transport & handling costs the marketing system is supposed to be doing its job satisfactorily.

⇒ Basic requisites of fish marketing:

Fish marketing requires a great deal of post harvesting operations because once the fish harvest or catch is in the hand of fishers, it should be properly placed to the profitable market since it is a highly perishable commodity. Some of the basic operational requisite for an ideal fish market are as follows -

- 1) Disposal of fish catch by fishers.
- 2) Transportation of catch to landing centre / wholesale or retail market.
- 3) Wholesaling
- 4) Packaging and
- 5) Retailing.

Disposal of fish catch by fishers -

Thereafter completion of fishing operations the next step is disposal of catch. Under different fishing rights the probable options for disposal of catch are -



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→ If fishing rights are exclusively with some contractor or co-operative, the fishermen have to dispose their catch to these agencies.

→ If river fishing rights are in common property regime with open access, the fisher has to undertake decision marketing process for-

- where to dispose
- how to dispose
- to whom to dispose the riverine fish catch.

The disposal of catch in the option (a) is pre-fixed while for (b) it depends on -

- Quantum of fish catch
- Distance of the fish market &
- Type of fish marketing intermediaries.

If quantum of catch is small, fishers prefer to dispose it locally to local dealer or fellow fisher. In case of large quantum of catch depending upon his experiences & prior fixtures, the fishers may dispose it -

- locally to consumer / local dealer

- at nearly wholesale / retail fish market and
- directly to consumer.

2) Transportation of catch to landing / wholesale or retail market -

The mode of transport of catch depends on the distance to market and means of transport available. It may be on foot, by autorikshaw, bus, etc. In case of contractor or co-operatives the assembly of catch may be at fishing site, the quantity of catch disembody may be large. It may be transported in vehicles. The other option is contractor or co-operatives having the fishing rights, may ask the fishers to bring their catch to specific place. eg- fish market or landing market or centre, so the fishers have to transport it to pre-fixed place. A study conducted for rivers Ganga and Yamuna revealed that fishers generally prefer the nearest landing centre or fish market to dispose the catch.

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instead of taking it to bigger distant market.

3) Wholesaling:-

The next step in fish marketing (post-harvest mechanism of riverine fisheries) is wholesaling. In case of the riverine stretch leased out for fishing, the contractors may act as wholesaler cum commission agent or wholesaler. Once the catch reaches wholesale market, it is displayed after segregation according to the species, size & weight of fish and individual fisherman to whom it belongs. The wholesaling includes auctioning of the riverine catch for local consumption and packaging for transport to terminal or outstation fish markets.

A) auctioning of riverine catches -

The auction process starts, when the catch is ready for display to the buyers, eg- retailers, vendors or bulk consumers. There are two systems of auctioning.

i) Auction by lots without weighing -

In this system, whole of the segregated lot of fish is auctioned by bidding either for whole lot or for per unit basis i.e. per kg. In case of bid for whole lot, the highest bid price will be paid by the bidder but, for per unit bid price, the lot is to be weighed after bidding. The amount payable by bidder is calculated as the product of weight of lot & highest bid price.

Auction by lots after weighing -

The process for auction and calculation of payable amount by the highest bidder is same as without weighing. The only difference is that the lot of fish to be auctioned is weighed before beginning of auction process.

Transport to terminal markets -

Commission agents perform the function of wholesale. With the immense experience they can guess the probable local & outstation market prices for particular type of riverine catch. The



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transportation of riverine catch to outstation markets primarily depends on the consumer preferences or on the prices expected for different fish species at respective place. But the most potential terminal or outstation market is Kolkata where riverine catch is transported from all over India.

4) Packaging :-

After the decision for transportation of riverine catch to outstation markets, next step is packaging. It should be with minimum loss due to decaying of fish during transportation. The fish price varies significantly according to freshness & condition of fish, so packaging should be given much needed attention to minimize these losses & to fetch the best possible price. Most of the riverine fish is transported either in bamboo buckets or in wooden boxes covered with gunny bags. The adequate quantity of ice and proper packaging materials are the crucial inputs for proper packaging of fish.

5) Retailing :-

Retailing of riverine catch follows the activity of wholesaling both at primary or terminal markets. Fishers, retailers, vendors, contractors and co-operatives perform the retailing of fish. It is ultimate activity of post-harvest mechanism of riverine fisheries which disposes fish catch to consumer in smaller quantities. Similar to wholesaling, retailing also involves display of riverine fish lots after segregating them according to the type of fish and its size. They fix the rate in accordance with wholesale price paid by them. Due to highly perishable nature of the fish catch, the retailer has to undergo some loss because of spoilage.

Prior to the ^{proper} fish marketing it is highly desirable to consider some of the functions associated with fish trade.

A) Exchange function -

assembly / demand creation, price determination & selling & disposal of fish.



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b) Physical function-

Transportation, processing and storage.

c) Facilitating function-

Standardization & grading, packing, financing, risk bearing, market intelligence, market information.

Some of the issues directly related with fish marketing is as follows-

→ Marketing Surplus-

The term marketing surplus may be defined as total quantity of riverine fish catch harvested by the fishers. It is of 2 types-

a) Marketable surplus

b) Marketed surplus.

a) Marketable surplus- The quantity of riverine catch, the fishers willing to dispose in the market or available for disposal is termed as marketable surplus.

b) Marketed surplus- The quantity of fish catch actually reached the fish market is called marketed surplus.

It is equal to the difference between marketable surplus & quantity of the riverine retained by fishers for selfconsumption & other miscellaneous process.

⇒ Market Intermediaries-

The term 'market intermediaries' is used for the ff market personnel involved in riverine fish marketing or who performs post-harvest or fish marketing operations. These are also called market functionaries. In the process of riverine fisheries, the market intermediaries include local dealers, wholesalers, wholesaler cum commission agents, commission agents, contractors, co-operatives, retailers, vendors and fishers performing the marketing operations.

The existence of market functionaries (commission agents, wholesalers, retailers and vendors) smoothes market by linking producers and consumers and sometimes financial requirements of fish producers are also met by them. On an average there are 3.8 commission agents, 12.4 wholesalers,



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180.5 retailers & 258 vendors in district (IIM, Shimdabad 1983). On this score based on the studies of IIM, 1985. Bihar, Karnataka, Orissa and West Bengal were generally developed and Gujarat, Maharashtra, Rajasthan and Tamilnadu were less developed. In fish trade the requirements of retail market is more essential than that of wholesale market since the harvest is mostly in small quantities and scattered all over the country.

→ Marketing Channels -

The marketing channel is defined as the path through which the riverine catch passes starting from fishes to the ultimate consumers.

→ Table - showing fish marketing channel

- 1) Fisherman → Wholesaler cum commission agent → Retailer → Consumer.
- 2) Fisherman → Retailer → Consumer.
- 3) Fisherman → Local dealer / local dealer cum

commission agent → Consumer

- 4) Fisherman → Local dealer → Wholesaler cum commission agent → Retailer → Consumer.
- 5) Fisherman → Local dealer cum retailer → Consumer.
- 6) Fisherman → Contractor / Contractor cum wholesaler → Retailer → Consumer.
- 7) Fisherman → Co-operative society → Contractor / contractor cum wholesaler → Retailer → Consumer.
- 8) Fisherman → Co-operative society → Wholesaler cum commission agent → Retailer → Consumer.
- 9) Fisherman → Co-operative society → Consumer.
- 10) Fisherman → Consumer.

⇒ Marketing Costs :-

The cost of riverine fish marketing include all the expenses incurred by the market functionaries & the fishermen for the purpose of

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disposal of fish catch. These change on-

- i) Handling of catch at fishing area ✓
- ii) Dismantling ✓
- iii) Grading ✓
- iv) Packing ✓
- v) Transport ✓
- vi) Storage ✓
- vii) Finance ✓
- viii) Commission agent ✓
- ix) Market charges ✓
- x) Postage ✓
- xi) Telephone charges ✓

⇒ Fish Marketing Margins (Profit, margin and costs) :-

The fish marketing margins are the remuneration received by different surviving fish market intermediaries towards performing different functions. This may be of the following 2 types:-

- 1) The gross margin for i^{th} intermediary (G_{Mi}) are the difference b/w the price received & price paid by consumer. It is calculated as -

$$G_{Mi} = P_{Ri} - P_{Pi}$$

where, P_{Ri} = Price paid by 1st intermediary (consumer)

P_{Pi} = Price paid by i^{th} intermediary

- 2) The net margin for 1st intermediary (N_{Mi}) are the difference b/w this margin & marketing cost. It can be calculated as -

$$N_{Mi} = G_{Mi} - M_{Ei}$$

where, M_{Ei} = market expenditure received by i^{th} intermediary.

In fish marketing the middle men/ intermediary margins are considerably high to the detriment of producers. According to a survey of IFM, Shimadabad 1983, the price received by the farmers was 47.23% of the price paid by the consumer, the rest was accounted for by the cost and profits of market intermediaries. The gap b/w the producer's price & consumer's price was accounted for by the profit margin & the marketing cost incurred by intermediaries. The percentage distribution of the earning by various intermediaries are -

1. Wholesale cum retailer - 22.16% of

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(1)

- consumer's price.
2. Commission agent cum wholesaler - 6.14%
 3. Intermediaries involved in wholesale, retailing & vending - 12.5% of consumer's price.
 4. Co-operative society - 11% of consumer's price.

⇒ Price Spread:-

The price spread indicates the distribution of consumer's rupee among market intermediaries and the fishes. This is a very important indicator of operational efficiency of any marketing system. It estimates the percentage share in consumer rupee or retail price or function performed, we can assess the operational efficiency of fish marketing system. It can be calculated as -

$$Si = \frac{CiME_i}{RP} \times 100$$

where, Si = percentage share of i st intermediary in retail price.

RP = Retail price/kg.

⇒ Fish Marketing Efficiency (E):-

The fish marketing efficiency indicates the movement of fish from fishermen to consumer at lowest price in accordance with the provision of service desired by consumers. For various markets & marketing channels it may be computed as -

$$E = \frac{RP - ME}{RP} \times 100$$

where, $ME = \sum ME_i$

⇒ Marketing intervention & policy issues involved :-

Despite historicity of the co-operative movement the marketing continues to be the weakest link in fishery development particularly in respect of capture fisheries of rivers & reservoirs. The major applications of co-operatives has been dormancy for further precautions finance and (management) managerial gaps impaired the operational efficiency of the co-operatives. The sluggish growth of co-operative sector is mainly attributable to misuse of loans and



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subsidies, outside leadership, lack of co-ordination b/w production & marketing activities, infiltration of contractors/merchants, poor institutional support from funding agencies / state govt. & absence of awareness about co-operative principle. Unless ~~the~~ the co-operatives are able to have control over substantial position of supplies, they can not act as stabilizers to the advantage of their members. Further co-operatives need to be strengthened keeping in view the rising trend of fish production.

In order to avoid of more finances from institutional sources and commercial agencies, it would be necessary that sufficient funds in the share capital of fisheries co-operatives at primary, central & state level are subscribed by the state govt. The National Co-operative Development Corporation (NCDC) provides liberal assistance to fishery co-operative for strengthening their share capital base, purchase of country & mechanized boats, transport vehicles, setting up of processing unit, establishment

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of cold storage & ice plants. It also provides assistance to inland fisheries co-operative for remodelling & reclaiming water areas to develop pisciculture activities. Besides, fisheries Development Corporations are set up in several states to develop commercial fisheries effectively with the resources from financial institution.

The effective market intervention by cooperative / state level corporation is possible only when they handle sizeable portion of supplies & are able to buy fish on their own account & sell it later in terminal markets to stabilize prices. They are to act as market leader to as to meet successfully the might of fish trade / middlemen by linking producers & consumers within accepted market efficiency criteria. A fish market can be organized by having necessary control over marketing practice & protection against unauthorized deductions.

Organisational constraints -

The condition under which

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fish are handled are far from conducive. The fishermen/producers either arrange to dispose their catch at nearby assembly centres or deliver the products to the agents who in turn, transport the fish to the nearest assembly centres for preservation & further transport.

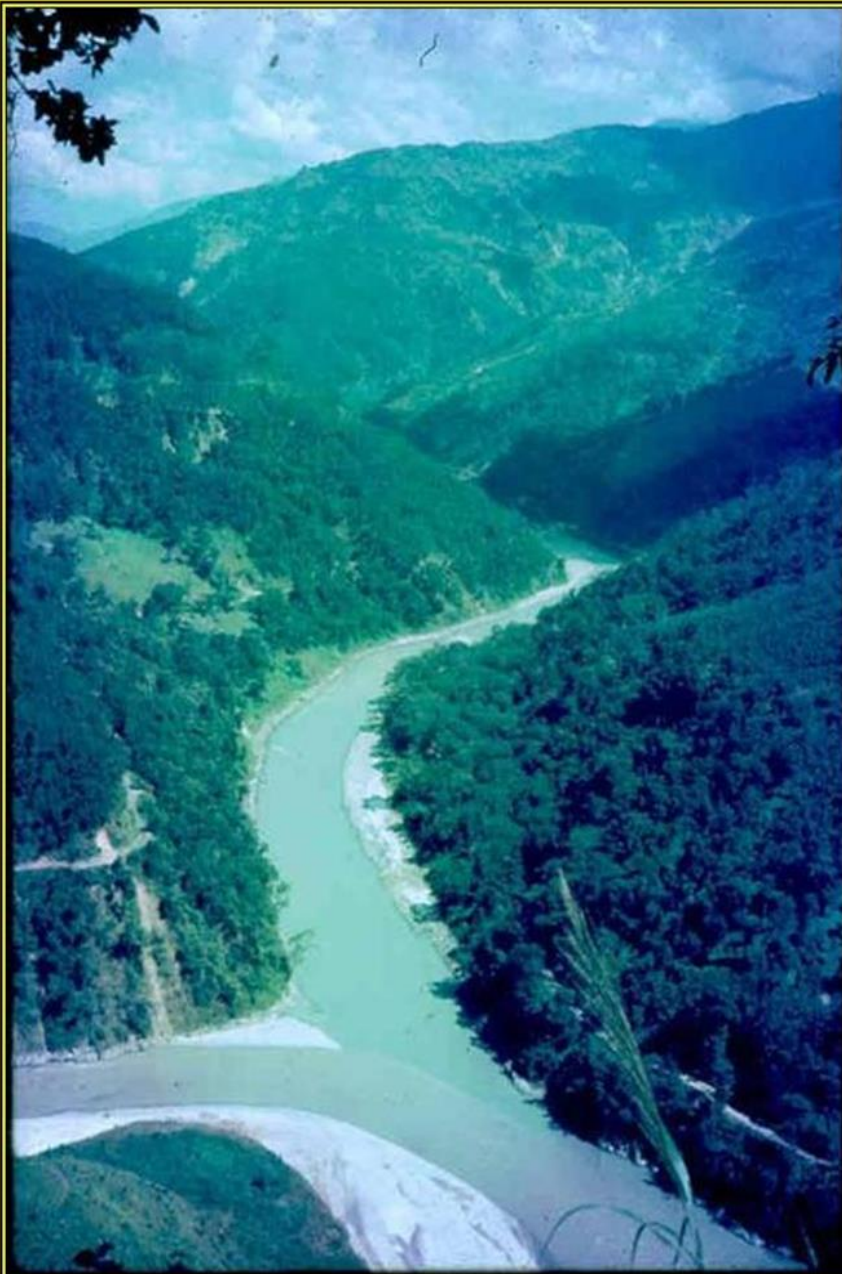
Further paucity of preservation & packing facilities had added to misery of fisherman. The agents purchase the fish out right or in lieu of advance to the owner of ponds. Hence again due to non availability of ice & proper containers of widely dispersed production centre, fishes are generally transported by available vehicle including bullock carts to the nearest assembly centre, which again may not have ice factors but to which ice may be brought from long distances. Lack of preservation facilities and inability of the producers to hold highly perishable commodity leave them with no choice except to

dispose of their produce to agents at a price dictated by them. The age old dominations of manipulative fish trade has often widens the price spread b/w fishermen & consumers to the detriment of fish marketing.

Therefore, the efforts for enhancing their fish business income through production activity have limited scope to uplift socio-economic status of the fishers. It has shifted the emphasis of these efforts to post-harvest operations.

Conclusion-

Hence, it can be safely concluded that fish marketing incorporates all the specific functions from catching of the fish to their disposal, transportation, wholesaling, auctioning, packaging, transport and retailing. An efficient fish market satisfies the entire fishery intermediaries as well as consumers.



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