

INTRODUCTION

Objective and Scope of Study

Aspects of Marketing from Producers' Perspective" which is, in essence, a study of the marketing problems confronting farmers in the marketing of their produce and the extent and effects of government participation in marketing aims to find out (i) the pattern of marketing of selected farmers' produce and the advantages and disadvantages of certain marketing practices, (ii) the problems of marketing confronting farmers in the marketing of these selected produce, (iii) the extent and effects of the Federal Government's participation in the marketing of these produce and (iv) the scope for the improvement of the prevailing marketing system.

This study limits itself to the study of certain aspects of marketing only; it does not concern itself with production aspects at all. This study also limits itself to the survey area only which is Block S2 in Sekinchan, an area covering 240 acres and comprising of 80 lots of 3 acres each. All discussions in this study refer specifically to this area and, therefore, conclusions drawn from the findings cannot be taken to be representative of the other parts of the country which are under padi or vegetable cultivation. They may not even be representative of the whole of Sekinchan!

Discussions of marketing problems and other aspects of marketing are limited to 4 major groups of agricultural products produced in sufficiently large quantities by farmers in this area either in the main season or in the off-season. The products selected for study are (i) padi (ii) maize (iii) sweet potatoes and (iv) vegetables. Included under the heading of vegetables are (i) long beans (kacang panjang), (ii) ladies fingers (kacang bende), (iii) pumpkins (labu manis), (iv) spinach mustard (sayer sawi) and (v) chillies. Other varieties of vegetables such as cucumber, soya bean, Chinese cabbage etc. produced in small quantities partly for the farmers' own consumption and partly for the market are excluded from this study. Discussions on padi refer to the crop produced in the main season of 1965/66 and discussions on maize, sweet potatoes refer to those crops produced in the off-season of 1964.

This study is divided into eight chapters. Chapters One to four deal with aspects of padi marketing while Chapters Five to Seven deal with aspects of maize, sweet potato and vegetable marketing. Chapter Eight, the concluding chapter, deals with the writer's

appraisal of the overall situation and his recommendations.

Research Procedures

Data and information used in this study were procured from primary and secondary sources. The farmers and their hired workers constitute the primary source of information. A series of interviews with farmers and their hired workers were conducted during the period 9-4-1966 to 26-4-1966 in Sekinohan. Selection of farmers were made on a random sampling basis. Any farmer found to be co-operative enough to provide data and information was interviewed irrespective of where he resides.¹ So is the case with the selection of hired workers. Interviews with farmers were conducted either in their homes, in the fields or in coffee shops. Most of the workers were interviewed in the fields; only a small number of them were interviewed in coffee shops. Interviews were conducted with the use of an interview schedule designed by the writer. Language and dialect barriers were overcome by bringing either a fellow student or a local resident to act as interpreter. The question was asked one at a time and the responses were jotted down.

Information and data from secondary sources came from local leaders - sidang, officials of the Town Council - government officials especially those from the Drainage and Irrigation Department and Agricultural Department, officials of the co-operative rice mills and lastly from printed materials such as periodical government bulletins, articles, reports and government notifications.

Intensive field observations were also made. The writer went to observe how the farmers and their workers carry out their work and the writer also inspected the farmers' drying and storage facilities. The writer also visited a co-operative rice mill to observe the use of the moisture-measuring meter and to familiarize himself with the various government regulations that affect farmers.

Limitations of Study

In procuring the necessary data and information which necessitated the conducting of field investigations the writer was faced with a number of difficulties which affect the reliability of this study. Foremost among these difficulties was the presence of a language barrier which hindered the free flow of communication between the interviewer and the respondents. All of the farmers interviewed were of Chinese origin and only a limited number of them were able to converse and understand fairly well in the National Language. However, this problem was to a certain extent remedied by having local residents and Chinese - speaking fellow students to act as interpreters. Nevertheless, distortion of ideas and meanings which normally occurs during the process of interpreting especially

¹ Altogether 21 farmers were interviewed. Their names, addresses and lot numbers are given in Appendix I.

by untrained and inexperienced interpreters cannot be overlooked.

Common in most surveys memory failure on the part of the respondent pose a serious problem to the interviewer. The respondents who were mostly semi-literate with a primary level of education seemed not to remember precisely what they had been doing in the past. Under the circumstances, approximations and estimates are introduced which may possibly be wide off the mark; thus limiting further the reliability of this study.

Another important limitation to this study comes from the unfamiliarity of respondents - farmers and workers alike - with modern weights and measures. They do not think and act along modern lines of measurement in making calculations regarding production and yields of the land. Instead of thinking in specific terms like katis, acres and pikuls etc. they think more in terms of rows of chillies, basketful of sweet potatoes or sackful of maize. This necessitates converting the data obtained into standard measurements and errors in the rounding up of figures are difficult to avoid.

A majority of the farmers have never heard of a university before and to them all persons conducting surveys or research work in their area are either officials or agents of the government who are trying to find out their financial standing ^{to impose taxes upon them} or to confiscate whatever extra pieces of land they may own. They were suspicious, secretive and over-cautions in giving out information. Even the minimum of information which they revealed is not 100% reliable for they tended to underestimate yields and incomes, to exaggerate the seriousness of problems and to over-estimate costs. /so as

Lastly, these farmers do not keep any proper records or diaries of their daily transactions regarding their farming operations and the selling of their produce. So whatever figures they revealed out of their memory are just as good as anybody's guess.

Marketing Concept Defined

The term "marketing" has been variously defined. However differently the various definitions may have been worded, the essential elements remain similar. Marketing may be defined as the performance of business activities that direct the flow of goods or services from the producer to the consumer for the satisfaction of the latter. In both domestic and international marketing we find the same basic marketing services - buying, selling, transporting, storing, grading, financing, risk-taking and market information.

The first two, buying and selling are concerned with the exchange process. The buying service is concerned with the search for, and evaluation of, products and services. The selling service involves promoting the product and would include the use of personal salesmen and advertising.

The services of transporting and storing involve the handling and movement of goods. These are the major activities of many marketing institutions, especially warehouses, transportation agencies, wholesalers and some retailers.

The services of grading, financing, risk-taking and market information assist the other services. Grading is dividing the product according to specifications or standards agreed upon, thus aiding the storing and selling services. Financing facilitates the exchange of money for goods and provides the credit necessary for storing. The risk-taking service is inherent in any business activity and is the reason that good management is so valued. The market information service is concerned with collecting, analyzing and disseminating data which will aid in effective completion of the other services.

No matter how simple or how complex the process is, all of the services of marketing must be performed. A farmer, for example, may permit a wholesaler to pick up his products at the farm, haul them into town, grade them according to recognized standards, carry the financial burden until they are sold. If this job is complicated, one wholesaler may not be willing to handle all of these activities, and two or more wholesalers may become involved.

The important fact is, that, even if the farmer were to do all of this himself, none of the services would be bypassed. He would still have to grade the products in his own farm, store them until they were needed and transport them to town. During this time, he would have to finance his own activities and bear any risk of price fluctuations or quality deterioration. In either situation, he would watch the newspaper or listen to the radio for market information on prices, supplies and weather conditions.

Thus we see that providing these services underlies much of the activity of marketing.

Actually, three of the four basic utilities - form, time, place and possession utility - isolated by economists are part of the marketing job. Time, place and possession utility are definitely created by marketing. Having goods available when and where they are wanted, and then completing the sales transactions to provide possession utility, is the very essence of marketing.

Marketing Concept as Applied to Padi

The marketing of padi has often been confused with the marketing of rice. Padi is husked and unmilled rice while rice is what becomes of padi after it has been passed through the process of milling. As such, the marketing of padi begins in the rice field and ends at the rice mill while the marketing of rice begins at the rice mill and ends at the consumer.

Quoting R.O. Kelly, "The marketing of padi begins in the field and extends to the point where it is bought to a mill for milling, the marketing of milled rice begins at the mill and extends to the point where it is sold to a consumer for eating".²

Another issue in padi marketing which has caused much confusion and has provoked much controversy among economists is the inclusion of harvesting under marketing and not under production.³ Harvesting which is the cutting of padi stalks about 6 inches above the ground by means of a small sickle is to the writer's mind not the point where production ends but instead it is the point where marketing begins. The production function comes to an end as soon as the padi becomes ripe for harvesting. From then onwards marketing assumes its responsibility. Harvesting is, thus, the first step towards padi marketing; it precedes all the other marketing services and is undertaken with the express purpose of subjecting padi to all the other services of marketing so as to provide the padi with time, place and possession utilities.

Following harvesting is an array of services which includes (i) threshing, (ii) winnowing (iii) drying (iv) grading (v) weighing (vi) storing (vii) transporting (viii) packing (ix) pricing (x) financing, (xi) risk-taking and, (xii) market information the undertaking of which is necessary in the marketing of padi.

Threshing is the act of separating padi from the stalks which is done by beating the padi stalks in a wooden tub.

Winnowing is separating good padi from the empty ones and the broken bits of stalk which is usually done by dropping the padi on to a mat on a windy day.

The act of exposing padi to the sun for the purpose of reducing its moisture content so as to make it suitable for milling is called drying. To ensure that unbroken rice results from the padi when it is milled, the padi must be sufficiently dry.⁴ Except for packing and pricing the other marketing services have already been touched upon.

Packing refers to putting the padi in gunny sacks for protective purposes and for facilitating storage and transport.

Pricing is the assignment of prices to quantities of padi for the purpose of facilitating buying and selling.

²Kelly, R.O., "Government Marketing Policy on Rice", In Malaysia National Training Centre Manual, Ministry of Agriculture and Co-operatives, Kuala Lumpur, 1964.

³Production is the creation of form utility.

⁴Sufficiently dry padi refers to padi having a moisture content of between 13% and 18%.

Introductory Background to Survey Area

(a) Situation

Situated in the district of Kuala Selangor, Sekinchan lies in the rice-bowl area of Tanjong Karang⁵ to the north-west of Selangor about 2 miles from the Straits of Malacca. Flanked by Kampong Sungai Burong to its south-east and Kampong Sungai Lemau to its north-west, Sekinchan lies on the Sabak Bernam - Tanjong Karang Trunk road which is the permanent access link between Sekinchan and the other towns and villages in this area. This road also forms part of the new coast road which connects Tanjong Karang with Lower Perak, using a ferry over the Bernam River downstream of Sabak Bernam at Bagan Nira.

A stretch of all-weather asphalt road running from Tanjong Karang connects Sekinchan to the towns of Batang Berjuntai, Rawang and the Federal Capital of Kuala Lumpur. Crossing the Selangor River by ferry at Pasir Penambang, Sekinchan is within reach of Klang, Port Swettenham and also Kuala Lumpur by the Kuala Selangor - Klang trunk road.

(b) Area

Covering a total area of 5,100 acres, the total acreage of cultivable land is only 4,639 acres of which an average of 3,630 acres have been fully utilized yearly for the past 5 years for the cultivation of padi in the main season as shown in the following table.

TABLE 1

MAIN SEASON PADI - SEKINCHAN

Year	Total Cultivable Land (Acres)	Total Land Cultivated (Acres)
1960/61	4,000	3,630
1961/62	4,639	3,630
1962/63	4,639	3,630
1963/64	4,639	3,648
1964/65	4,639	3,645

Source: Agricultural Office, Tanjong Karang.

⁵Sometimes known as the Tanjong Karang Irrigation Scheme it refers to the coastal strip some 2 to 4 miles wide parallel to the coast and about 27 miles long, covering an area of 35,000 acres.

The total cultivable land in Sekinchan is divided into 16 blocks of varying sizes numbering from S1 to S16. Each block is, in turn, divided into lots of 4 or 3 acres each depending on the location of the lot; the majority of them are, however, 3 acres in size. Block S2, the focus of this study, which is divided into 80 lots of 3 acres each occupies a total area of 240 acres.

(c) Population

With a total population of approximately 10,000 people, the Chinese belonging to 5 dialect groups forms 95% of the total population with the Malays and the Indians making up the remaining 5%. The predominant dialect group among the Chinese is the Cantonese forming about 41.5% of the total Chinese population. Occupying second and third places are speakers of Hokkien and Teochew dialects making up about 33% and 12.5% respectively. The minority dialect groups are the Hakka and Hainanese forming about 10% and 3.0% of the total Chinese population respectively.

The Indians are composed wholly of Tamils while the Malays are mostly made up of those of Javanese and Banjarese stock.

(d) Occupations

Out of the total Chinese population approximately 95% of them (90.25% of total population of Sekinchan) earn their living from agricultural occupations either as owner-cultivators, tenant-cultivators or as hired workers. These people are termed as farmers.⁶ The occupations of the remaining 5% of the Chinese population (4.75% of total population) ranges from fisherman, shop-keeper, barber, stall-keeper, seller of vegetables, ice-cream, ice-water, pork, workers in the co-operative rice mill and employees of the local council. The Indians residing in Sekinchan are either barbers, proprietors of eating shops, labourers or government officials. The majority of the Malays are, however, policemen, government officials, proprietors of stalls and workers in eating stalls.

Among the Chinese the majority of the farmers are from the Cantonese dialect group forming about 38% of the total Chinese population while the Hokkiens forming about 35% and the Hakka making up about 12% occupy second and third place respectively. Of the remaining 15% of the Chinese farmers, 10% of them are Teochews and 5% Hainanese.

(e) Communications

In Sekinchan communications within the agricultural area is solely by land. The main canal and the numerous drains and distributaries though accessible by small boats and rafts when the

⁶Farmers are those people who earn their living from agricultural occupations.

level of water is high have not been made use of at all.

A stretch of all-weather metal road branching from the Sabak Bernam - Tanjong Karang trunk road runs into the heart of the agricultural area for 2.6 miles at Drain 5 up to Kian Sit New Village. This road, accessible to all classes of vehicles including heavy lorries, is the only one of its kind in the whole of Sekinchan agricultural area.

There is also a stretch of 5.2 miles of laterite road serving the agricultural area; one running parallel to Drain 6 for 3.4 miles and another 1.8 miles long running from Kian Sit New Village to the main canal. The latter stretch of road is broader and is accessible to all classes of vehicles including heavy ones while the former is narrower and is accessible only to light traffic particularly suited to motor-cycles of 150 c.c. to 200 c.c. capacity, land-rovers and jeeps.

Access into the agricultural area is also provided by 7 stretches of earth bunds 3 of which run vertically across the agricultural area parallel to distributaries 4, 5 and 6, 3 running horizontally and 1 running parallel to the main canal. There are a number of bridges connecting one bund to another making a continuous stretch of earth bunds within the agricultural area. These bunds form the access arteries of the area along which produce are brought out for sale. This system of paths now permits the transportation of padi and produce out of the area to collecting points on the Sabak Bernam - Tanjong Karang road.

(f) Patterns of Cropping

All the 16 blocks in Sekinchan were originally intended for the cultivation of padi but due to an insufficiency of water from the irrigation networks, blocks 13, 14, 15 and 16 (with the exception of a few lots which are under padi cultivation) either remain unutilized at all or are cultivated with other crops the popular ones being yams and vegetables. The remaining 12 blocks S1 to S12 prior to the availability of facilities for the double-cropping of padi in 1965 have been solely utilized for the cultivation of padi in the main season and other crops in the off-season usually maize, sweet potatoes, chillies, yams and vegetables.

With the availability of facilities for the double-cropping of padi in early 1965⁷ double-cropping of padi is now practised in Sekinchan. Padi is now cultivated not only in the main season as it used to be but also in the off-season.

⁷Report on Development of Tanjong Karang, Ministry of Agriculture and Co-operatives, Drainage and Irrigation Division.

An attempt was made for the first time to introduce triple-cropping with two seasons for the cultivation of padi and one for other crops. "Triple-cropping is something new in this country but it proved successful the first time it was introduced in Sekinchan".⁸ A campaign is now being waged to encourage the farmers to adopt the triple-cropping system on their padi fields with the periods October to mid-February for main season padi, mid-February to mid-May for off-season crops and mid-May to September for off-season padi.⁹

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⁸ Berita Pertanian Bilangan 3/65, Keluaran Jabatan Pertanian Negeri Selangor.

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