

CHAPTER V

MARKETING OF MAIZE AND SWEET POTATO IN BLOCK S4

In this chapter the marketing of maize and sweet potato will be examined in its various aspects. These two farm products are treated together because they are similar in many of the marketing aspects, and yet sufficiently different to merit their considerations. Whenever there was a similarity in marketing function between them and the vegetable products mentioned earlier, a note will be made and no further treatment given, so as to avoid repetition. However, they will be examined in the same manner as that of vegetables.

PRODUCT AND PRODUCTION

Characteristics

Just like vegetables, maize and sweet potato are also bulky in nature, resulting in high transport cost ~~compared to value in high transport cost~~ compared to value of produce marketed. Perhaps, sweet potato is the least bulky of all the farm products studied in this report. Similarly, they are also perishable, though vegetables are more perishable than either maize or sweet potato. Of the two products, sweet potato is less perishable than maize because it could be stored away for a longer period without any undesirable effects on quality. However, maize can withstand rough handling better than sweet potato for the grains are covered with thick outer leaves. All the same, both maize and sweet potato need to be marketed as soon as possible while they are still fresh and of good quality. Typical with most farm products, including all those studied earlier, both maize and sweet potato are seasonal in supply, thus demand for transport is highest during certain part of the year when supply is maximum.

In Sekinchan in 1964, all the off-season crops were planted after padi harvesting was over, that was at the beginning or in the middle of April. Unlike vegetables, maize and sweet potato were planted at different times in order to fetch better price due to the fact that both crops can be harvested only once. If they planted them at about the same time, then the whole supply would occur only within a short period, say less than two weeks, in which case the price tended to be minimum most of the time. But if planting period stretched for a month or so, as was the case in Sekinchan, then the maximum, minimum and second maximum prices would be established for a longer period.

Quality and Uses

There were many varieties of sweet potato grown in Block S4; however the most common ones were white and red varieties. White sweet potato is bigger than the red one, but it is less tasty and harder when boiled. However, white one makes a better food, so it fetches higher price in the market than the red one.

Generally the quality of maize and sweet potato was not satisfactory due to lack of knowledge on the part of farmers regarding the requirements in cultivation, manuring, watering, disease control etc. Moreover farmers did not have any standards to follow and while some took great pains to produce good quality products, others less so. All these tended to produce low degree of uniformity¹ in the products which was not suitable for efficient marketing.

Maize was and still is very little grown by Chinese market gardeners who concentrated their efforts on the growing of vegetables, sweet potato, and the rearing of pigs. Compared to those grown by Malay farmers in Kelantan, the maize here was of a higher quality.

The writer was told that sweet potato was planted by two categories of farmers: one cultivating padi and off-season crops for sale while the other (a much smaller proportion) cultivating padi and off-season crops as well as raising pigs and possibly poultry also. The sweet potato produced by the first category of farmers was, more often than not, of better quality than that produced by the second category of farmers. This was so because the farmers in the second category often plucked the young leaves during growing period for stock-feed, thus damaging the plants to a certain extent. Furthermore, the value of sweet potato to them was partly indirect in the sense that only the surplus was sold, the others were turned into stock-feed.

By the time the maize and sweet potato arrived in Kuala Lumpur markets or distant markets like Penang and Singapore, the quality naturally went down due to passage of time, storing, packing, handling and travelling conditions.

Maize is used for human consumption - either to be eaten on the cob or as a vegetable in curries. Uses of sweet potato are well known: for stock-feed, especially pig food and for meeting a small local demand as a cheap rice-substitute. For Malays, sweet potato can be turned into many kinds of food such as cakes, perridge etc.

¹The other reason was the absence of quality requirements or grading, thus farmers were not sure if their efforts would be rewarded with higher price.

Nature of Production

It was seen that the production of vegetables was carried on a small scale. This was also true for maize and sweet potato as table 5.1 shows.

TABLE 5.1
 SIZE OF MAIZE AND SWEET POTATO PLOTS INVESTIGATED IN
 BLOCK B4

Acreage of Plot	No. of Plots	% of Total
(A) MAIZE PLOTS		
3	1	5.56
1½	1	5.56
1	2	11.11
½	10	55.55
¼ and below	4	22.22
Total	18	100.00
(B) SWEET POTATO PLOTS		
3	1	5.56
1½	-	-
1	3	16.67
½	12	66.66
¼ and below	2	11.11
Total	18	100.00

From table 5.1 above it can be seen that there is a close correlation between the size and number of maize and sweet potato plots. The number of plots decreased as the size increased from ½ acre to 3 acres. The same trend also appeared as the size decreased from ½ acre to ¼ acre and below.

SUPPLY

Gross Yield and Amount Marketed

From interviews with 18 farmers who grew maize in 1964, it is estimated that the total gross yield per acre was between 10,000 to 10,500 cobs. Out of this, between 30 to 60 cobs were retained for own consumption, the rest were sold to local dealers or dealers from nearby towns like Kuala Lumpur, Kuala Selangor etc.

It is estimated from field investigations that an acre of sweet potato would give a yield of between 8,000 to 12,000 katies, depending on fertility of the soil, water control, and other related factors. Of this amount between 40 to 70 katies were kept for own consumption, the rest were either turned into stock-feed or sold to local and outside dealers.

Frequency and Time of Supply

Unlike vegetables studied earlier, maize and sweet potato can be harvested only once, thus an individual farmer with a plot of maize or sweet potato would not by himself experience a normal harvesting period as in the case of vegetables. In order to fetch better price, farmers did not plant maize or sweet potato at about the same time, but that the planting period was allowed to stretch for about a month or two depending on the length of growing period. Thus the whole group of farmers together would experience the same normal harvesting period. However, no organized plan was made by the farmers with regard to time of planting that about half of them were planted in the middle of the planting period, resulting therefore in a low level of minimum price. If the time of planting had been carefully arranged, the minimum price would not have gone so low. Approximately more than a fourth were planted at the beginning while about less than a fourth towards the end of the planting period.

Vegetables were picked in the morning while maize and sweet potato were harvested at any time of the day, just like padi.

Variation and Trend of Volume Marketed

Unlike vegetables¹, variation and trend of volume marketed in case of maize and sweet potato can only be presented in terms of all farmers in Block S4, or better still, in the whole of Sekinchan. And since interviews were conducted with only 18 farmers, data collected was inadequate and misleading. Therefore it is better to give a rough idea of the proportion of supply among the three stages.

¹In case of vegetables studied earlier, it was possible to consider in terms of an individual farmer since a plot can have a number of harvests.

Approximately then, half of the total produce was supplied during the second stage, while slightly more than a quarter and slightly less than a quarter were supplied during the third and first stages respectively. The supply during the third stage was a little higher than that during the first stage because of overlapping of second and third stages, though not to the same extent as in case of vegetables.

Supply and Demand

Maize and sweet potato are cheap commodities. Although people do not regard them as necessities in the true sense of the word, yet as far as forces of supply and demand are concerned, what applies to vegetables also applies to maize and sweet potato.

For human consumption, demand for sweet potato is, in the writer's opinion, less inelastic than that for vegetables. Demand for sweet potato for stock-feed is more inelastic than that for human consumption.

SELLING

The sale outlets for maize and sweet potato were the same as those for vegetables except that maize and sweet potato were also sent to distant markets like Singapore and Penang due to their less perishable nature. They were transported to these distant markets either direct from Sekinchan or from Kuala Lumpur.

PRICING

The method of price fixation and the definitions of maximum, minimum and second maximum prices are similar to those for vegetables studied earlier.

It is interesting to note from tables 5.3 and 5.4 that the gross profits made by local dealers and Kuala Lumpur wholesalers/retailers were the same at the three prices. This was not so in the case of vegetables where there was close correlation between gross profits and the price variation. Another thing to note is that the difference between maximum and minimum prices was also great in percentage terms, though not as great as in case of vegetables. The second maximum price was also lower than the maximum price due to overlapping of second and third stages.

FINANCING

Financing the Farmers

The financing of the farmers for maize and sweet potato was similar to that for vegetables. Here a little more information will be given which applied also to vegetables.

Interviews with shopkeepers revealed that the value of goods taken on credit depended on the security and honesty of the

TABLE 5.2

STAGES IN HARVESTING PERIOD FOR MAIZE AND SWEET POTATO ON ALL PLOTS COMBINED

Name of Period	Period	Duration in days
(A) MAIZE		
Planting	Early April to early June	60
Growing	Early April/early June to Mid-June/mid-August	75
Harvesting	Mid-June to mid-August	60
1st Stage	Mid-June to early July	20
2nd Stage	Early July to early August	25
3rd Stage	Early August to mid-August	15
(B) SWEET POTATO (WHITE VARIETY)		
Planting	Mid-April to late May	45
Growing	Mid-April/late May to Mid-July/late August	90
Harvesting	Mid-July to late August	45
1st Stage	Mid-July to early August	15
2nd Stage	Early August to mid-August	20
3rd Stage	Mid-August to late August	10
(C) SWEET POTATO (RED VARIETY)		
Planting	Mid-April to mid-June	60
Growing	Mid-April/mid-June to Mid-June/mid-August	60
Harvesting	Mid-June to mid-August	60
1st Stage	Mid-June to early July	20
2nd Stage	Early July to early August	25
3rd Stage	Early August to mid-August	15

TABLE 5.3

PRICE OF MAIZE SOLD IN SEKINCHAN

Price Variation	Sale price (s per cob) at:			Gross Profit (s per cob) by		Estimated Marketing Margin
	Producers' level	Local Dealers' level	K.L. Wholesaler/retailer's level (Consumers' level)	Local Dealers	K.L. Wholesalers/retailers (Estimated)	
(A) SMALL MAIZE OR COB						
Maximum	3	3.5	4	0.5	0.5	1
Minimum	1	1.5	2	0.5	0.5	1
2nd Max.	2	2.5	3	0.5	0.5	1
(B) BIG MAIZE OR COB						
Maximum	6	6.5	7	0.5	0.5	1
Minimum	2	2.5	3	0.5	0.5	1
2nd Max.	4	4.5	5	0.5	0.5	1

TABLE 5.4

PRICE OF SWEET POTATO SOLD IN SEKINGHAN

Price Variation	Sale price (s per kati) at			Gross Profit (s per kati) by		Estimated Marketing Margin
	Producers' level	Local Dealers' level	K.L. Wholesaler /retailer's level (Consumers' level)	Local Dealers	K.L. Wholesalers /retailers (Estimated)	

(A) WHITE VARIETY

Maximum	10	11	12	1	1	2
Minimum	3	4	5	1	1	2
End Max.	5	6	7	1	1	2

(B) RED VARIETY

Maximum	6	7	8	1	1	2
Minimum	2	3	4	1	1	2
End Max.	4	5	6	1	1	2

farmers, the two chief criteria. If the farmers planted little maize or sweet potato, then less goods would be given.

In case of a default, the shopkeepers experienced losses; this was the type of risks they had to face.

The farmers were not expected to sell the produce to these shopkeepers as the shopkeepers were not private vegetable dealers but they were expected to pay the debts at the end of the harvesting period and to keep on borrowing during the coming padi season. It was padi and not sweet potato or vegetables that the shopkeepers dealt privately, illegally, thereby making a profit of 10 or 15 cents per pikul sold with the help of the local cooperative rice mills.

Financing the Dealers

The three licensed vegetable dealers in Sekinchan and the outside dealers bought maize and sweet potato on one or two days' credit, just as in the case of vegetables. However, unlike vegetables, the producers might allow up to four or five days' credit since they were sometimes taken to as far as Penang and Singapore. If the quantity sold was small then prompt payments might be made. For the same reasons as in the case of vegetables, the credit terms were determined by and at the convenience of the dealers.

One thing to be noted from the above description is that the financing was done not on a mutual basis: the provision shops financed the farmers but the farmers did not finance the provision shops for the latter were not private dealers of off-season crops but only private padi dealers. Hence, as far as off-season crops were concerned, the credit systems did not give rise to any obligation on the part of the farmers to sell their products to the provision shops, as was in the case of padi.

CLEANING AND GRADING

Maize was never cleaned by any farmer except when it dropped on to the ground. As it grows some distance from the ground it is not necessary to clean it. All the farmers did was to tear out some of the outer leaves on the cobs to reduce the unnecessary weight without exposing the grains.

Sweet potato is a root crop and as such it is always dirty when first taken out of the ground. The farmers washed it to remove the earth, though never thoroughly before taking it to the dealers shops or market centre for sale.

Maize was graded by the farmers into small and big cobs. Then they were put in guni sacks ready for sale. The basis of grading was size, not according to any definite weight or formula but by virtue of the fact that a maize plant always produces small and big cobs.

Like chili, sweet potato was not graded in the true sense of the word, for both white and red varieties were produced by different plants on separate beds. Nonetheless, they were graded into white and red varieties, with different prices.

PACKING, STORING, WEIGHING AND HANDLING

Maize, unlike vegetables, was put in guni sacks owned by the farmers, each containing about 500 pieces of small cobs ^{or} 400 pieces of big cobs. "Clean" white and red sweet potatoes were similarly put in separate guni sacks, owned by the farmers. These were either sent to the houses first or straight to the dealers' shops or local market centre where outside dealers were waiting with their lorries. Here they were taken out again to be examined and finally put in the dealers' guni sacks ready to be weighed and transported.

Sometimes these guni sacks had to be stored away in the dealers' shops for one or two days before they were taken by lorry to surrounding or distant markets. This was due to inadequate lorries available. The storage facilities available were far from adequate.

The guni sacks were weighed by means of a weighing instrument called "Daehing" in Malay. Handling was rough for both products, though that for maize was perhaps the roughest and the most unintelligent among the products examined in this report.

TRANSPORTING

The nature of transport was similar to that of vegetables. The means of transport to distant markets like Singapore and Penang was also lorry.

The transport cost of maize from Sekinchan town to Kuala Lumpur by lorry was 80 cents per guni sack, regardless of price variation. Since a guni sack contained about 500 small cobs or 400 big cobs, the transport cost by lorry was about 1/6 cent per small cob and 1/5 cent per big cob.

Unlike maize the transport cost for sweet potato was in terms of weight rather than guni sack. It was 80 cents per pikul by lorry from Sekinchan town to Kuala Lumpur, regardless of price variation. This meant that the cost was 4/5 cent per kati.