CHAPTER III

THE MARKETING OF FRUITS IN THE RETAIL MARKET

Fruits that are sold in Sekinchan market are classified into those which are locally produced and those which are imported from outside areas. Each type has its own role to play.

LOCAL SEKINCHAN FRUITS

Sources

The Malay kampongs in the neighbourhood of Sekinchan (within a radius of about five miles) are the prime source of such fruits. The fruits are mainly bananas, coconuts, jack-fruits, mangoes, chiku and other kampong fruits. The farmers or villagers do not grow them on the basis of a commercial venture. Normally most farmers plant a few trees of the mentioned fruits, often not well-kept or maintained, and sales from the fruits merely act as a supplement to the family income. The farmers bring these fruits to the market on their bicycles, and sell them for cash to the stall-holders. Sometimes the stall-holders will visit the kampongs to buy the fruits direct.

Processing

When the fruits arrive at the market some processing have to be undertaken. Coconuts have to be separated according to their sizes. Bananas, which come in various types and degrees of ripeness, have to be separated from the stalks and the spoiled ones discarded.

Purchases

A fruit stall-holder purchases about $60.00 worth of local fruits a week. If the general buying price of fruits is taken as 15 cents per kati, irrespective of the type, the amount may be around 900 katis.

In this exercise, the sales and purchases of fruits will be given as so many cents per kati. No doubt this method may seem abnormal, especially for coconuts. Still it is necessary to do so in order to facilitate comparisons of the prices and weight of fruits and to be as analytical as possible.

In assessing the nature of variations in the handling of local fruits problems pertaining to poor memory were encountered. For these sort of reasons variations on a weekly or monthly basis

could not be provided, as the stallholders did not keep such records. Alternatively date pertaining to two different periods are used: one for the week of the survey and the other for a week during a past feastival.

TABLE 5

AMOUNTS OF FRUITS BOUGHT BY A STALL HOLDER IN ONE WEEK[**] FOR TWO DIFFERENT PERIODS

Types of fruits (a)	Week of survey	Week preceeding past Chinese New Year
Bananas	300 kt.	500 kt.
Coconuts	510 (b)	1200 (b)
Jack-fruits	16	-
Mangoes	- (c)	40

(a) There are other local fruits handled too, besides these, as for example guava, "jambu ", "rambai" and "janggus". But as they are not in season at the time of survey, they are not accounted for.
(b) Obtained by multiplying each coconut by its normal weight of about 3 kt. By numbers they will be 170 and 400 fruits respectively.
(c) Not in season. Mangoes is an exception, brought in only for purposes of discussion.

Sales and prices of fruits

The amounts of fruits purchased will represent the amounts sold, less wastages. For bananas the situation is slightly different: the fruits are bought by the whole bunch (tandan) but sold by the combs (sikat). Thus the stall-holders actually sell less the amount purchased, by the amount of the stalks.

[**] There are 4 fruit stalls and 3 stall-holders, one of them having two stalls. We interviewed all three of them and apart from slight variations in quantities handled by the double-stall operator, found no real differences between them.

TABLE 6

PRICES OF LOCAL FRUITS IN RETAIL MARKET

Types of fruits	Week of survey		Week preceding past Chinese New Year	
	Buying Price	Selling Price	Buying Price	Selling Price
Bananas	14 c/kt.	20 c/kt.	14 c/kt.	20 c/kt.
Coconuts —big	4 (a)	5 (b)	4	5
—small	4	4	4	4
Jack-fruits	13	15	13	15
Mangoes —ripened	7	15	7	15
—green	5	10	5	10

(a) Obtained from the farm price of 12 cents a coconut of average weight 3 kt. Smaller coconuts weigh about 2 katis.
(b) The actual selling price per coconut will be 15 cents.
Note: By bringing all the fruits to a common denominator — so many cents per kati — comparisons will be facilitated.

It appears that prices have remained constant. In my opinion this is caused by the competition presented by other fruit-sellers outside the market. Consumers can easily turn to them should the market fruit-sellers raise prices of their products.

Retail prices of bananas

The prices for bananas is not meant to be conclusive. Bananas is just the common name for fruits of such a calling, much diversified in nature of appearance and taste. Each different type of banana is priced differently.

From table 7 it is seen that the fruits fall under two main categories: good quality ones (sweet and tasty) selling for 15 - 20 cents a kati; lower-quality ones (full of seeds and less tasty) selling for 10 cents a kati.

Bananas are sold both by weight and by the combs (sikat). A comb of Emas (about two katis) will sell for 40 cents.

TABLE 7

PRICES OF BANANAS BY TYPE

Type of bananas [a]	Farm Price	Retail Price
Awak	6 c/kt.	10 c/kt.
Asam	6	10
Bantan	10	20
Berangan	12	20
Bunga	7	10
Emas	12	20
Embun	10	15
Kapas	6	10
Kelat	6	10
Nangka	6	10
Raja	10	15
Rastali	8	15
Susu	6	10
Tandok	7	10

(a) These bananas are local varieties. There are no available English terms equivalent to them.

IMPORTED FRUITS

In my opinion imported fruits play a more important role. They form a larger proportion of the fruits available and they are more constant in supply. Imported fruits include apples, oranges, pineapples, pear, grapes and water-melons.

Sources

Almost all of the fruits are brought in from Kuala Lumpur, although it does not necessarily mean that they originated from there. Kuala Lumpur is just the collecting centre for fruits which may be grown quite nearby (water-melons in the Cameron Highlands), pineapples (Johore) or arrived from thousands of miles away (apples, oranges and grapes from Australia).

Transportation and finances

Everyday lorry-loads of fruits will call at Sekinchan market. The stall-operators will choose the fruits they require. This system does not require orders made in advance, as in the case of imported vegetables.

In a week each fruit stall-holder will buy about $50.00 worth of fruits. Payments are always in cash. The fruits (apples,

oranges and pears) arrive in boxes and crates which can accommodate 160, 140 and 40 fruits of each type respectively.

Sales and prices

Normally the fruit sellers are able to sell off their goods, except those rotten or damaged.

TABLE 8

AMOUNT OF WEEKLY IMPORTS OF FRUITS AS GIVEN BY A STALL-HOLDER

Type of fruits	Week of survey	Week preceding past Chinese New Year
Apples	80 kt	800 kt
Grapes	20	60
Oranges	140 (a)	1860 (b)
Pear	3	7
Pineapples	192	150
Water-melons	30	10

(a) Australian oranges
(b) Taiwan oranges

Customers purchases of these fruits are according to both weight and numbers. Thus apples will be 320 and 3200 fruits respectively (each fruit about 4 tahils (¼kt.) in weight); oranges 420 and 5600 fruits respectively (each orange about 3 tahils in weight); pineapples 385 and 300 respectively (each fruit about 2 katis in weight) and so on. Pear, grapes and water-melons are little sold.

Study in price spread for fruits imported

For purposes of comparison we shall consider apples. The lorry agents buy the apples in Kuala Lumpur market at about 71 cents a kati. A gross margin of 21 cents a kati is added, including the transport costs of 1 cent per kati of apples ($4.00 per 40 kati boxful of 160 apples).

Apples

Agents wholesale price	....	0.71 c/kt.
Agents gross profit margin	....	0.20
Transport charges	....	0.01 0.21
Price at which stall-holders buy...............		0.92
Stall-holders operating margin		0.08
Retail price		$1.00 c/kt.

Data for other imported fruits can be prepared in a similar way.

Prices

Prices of imported fruits in the retail market are as follows.

TABLE 9

PRICES OF IMPORTED FRUITS IN RETAIL MARKET

Type of fruits	Week of survey		Week preceding past Chinese New Year	
	Wholesale price	Retail price	Wholesale price	Retail price
Apples	$0.92 c/kt	$1.00 c/kt	$0.72 c/kt	$0.80 c/kt
Grapes	2.00	2.20	2.00	2.20
Oranges	1.15	1.25	0.80	1.00
Pear	1.00	1.20	1.00	1.20
Pineapples	0.08	0.10	0.09	0.10
Water-melons	0.16	1.20	0.14	0.20

It was observed that prices of fruits on and during the festival are much lower than prices at other times. This is contrary to the law of supply and demand that an increase in quantity demanded will lead to an increase in prices.

However this phenomenon can be accounted for. The prices of fruits do indeed rise, but only for one or two weeks before the feastive period and not during the celeberations itself. It is the tendency for consumers to buy these fruits in advance and hoard them. But on the actual day or week of the feastival lesser will be purchased, thus accounting for the slight drop in prices.

Storage and related problems

During closing hours the fruits are left unprotected on the stalls. While admitting the need for better forms of storage to cut down damages caused by rats, the sellers do not consider this as of extreme necessity.

Unpreserved fruits have quite a short life. It varies from about thirty days (for apples) to fifteen days (oranges and watermelons) to four days (mangoes and bananas). Perhaps with some referigeration facilities the useful life of fruits can be prolonged.