

CHAPTER IV

THE MARKETING OF FISH IN THE RETAIL MARKET

Even though the marketing of fish is of secondary importance (as it appears to be, having been allotted 11 stalls compared to 20 for vegetables) more emphasis is given to it. All of the fish stalls are singly operated, as compared to about seven people operating the 17 functioning vegetable stalls. From this fact one clear deduction can perhaps be made: as far as business is concerned, the sales from fish is paying bigger dividends. A person can operate a fish-stall economically well while it may not be so for vegetables.

The nature of the fish industry in Bagan

Bagan is the primary source of fish in Sekinchan. Most of the inhabitants of this fishing village are engaged in one way or another in the fish industry. Up to date there are about 400 fishermen operating from the village, working usually in groups of 5 - 7 people. The boats used are locally made and each weigh about four tons. It was learned that there are sixty engine-powered sea-going vessels in operation. The chief forms of fishing methods are "pukat tarek" and "pukat harimau".

It was estimated that Bagan supplied over 90% of the market's daily fish requirements. The rest of the fish have to be imported from Kuala Lumpur. Bagan also exports fish to other places. Among these are Kuala Lumpur, Klang, Muar, Batu Pahat and Sabak Bernam.

LOCAL BAGAN FISH

Sources

Everyday the market stall-operators will cycle to Bagan (over a mile away) in the afternoon, all depending on the time when the fishermen return with the catch.

The fishermen display their catch on the sea-shore at the usual places. Buying and selling is open to all. As is to be expected a buyer may develop a preference for the catch of a particular group of fishermen.

Purchases and finance

The individual fish stall-holder buys an average of 250 katies of fish of all types a day. Payments for the purchases are made in cash on the spot. The average daily purchases of a stall-holder is \$150.00, but it may range all the way from \$70.00 - \$200.00. Cash shortages is always possible and the stall-holders have to borrow from shopkeepers at times.

One of the stall-holders appears to be financially well-off from the rest, for he has padi fields as well as fishing interests. He can afford to give loans to a selected number of fishermen who need the money to buy nets or repair boats. Such loans are made once in a while, but each loan may amount to a few hundred dollars with a maximum of \$300.00 a time. Last year he lent out approximately \$1,000.00. These loans are normally repaid in kind, namely in the form of fish.

It is this credit arrangement that arouses my interest for it is to the advantage of the stall-holder. It is possible for his financial influence to exert its pressure on the indebted fishermen to give him all the benefits of material gain.

Transportation and storage

The purchased fish is transported to the market by bicycles.

At the market the fish have to be stored up for sale on the following day. ¹ Wooden boxes filled with crushed ice are used to preserve the fish. Any unsold fish for the day is stored in a similar manner.

With regards to the stall-holder noted earlier it was learned that he even maintained a cooler in his house. Such a refrigeration facility is very useful for he will be able to store more fish for a longer period, and ensure himself of a constant supply of fish.

Sales

Daily supplies of the various types of fish is as in Table 10.

Variations in the supply of fish do occur in view of the uncertain nature of weather at the source.

Prices

Generally no conformity in prices ever exist. The stall-holders may change price within the range of 20 cents per kati. For instance if the price of Bawal hitam is \$1.20 per kati, a seller may charge \$1.30 while another may price it at \$1.10. Actually it is a matter of personal discretion.

¹ A bar of 100 lbs. ice (approximately 76.9kt) costs \$2.50

DAILY SUPPLY OF LOCAL FISH IN THE RETAIL MARKET*

Type of fish	Quantity
Crab	25 kt.
Cuttle-fish.....	20
Kayu	40
Mackerel.....	20
Mango fish.....	30
Mayong	10
Pomfret	60
Prawns	9
Sardine	15
Sharp-finned catfish	5
Spanish mackerel	6
Wolf herring	2
Total	<u>265</u> kt.

TABLE 11

PRICES OF LOCAL FISH IN RETAIL MARKET

Type of fish	Day of Survey	
	Buying Price	Selling Price
Crabs	\$0.20 e/kt.	\$0.30 e/kt.
Cuttle-fish	0.20	0.30
Kayu	0.20	0.30
Mackerel	0.35	0.50
Mango-fish	1.30	1.40
Mayong	0.30	0.40
Pomfret (bawal)		
- hitam	1.00	1.20
- putih	1.60	2.00
- tempak	3.00	3.40
Prawns - lobster	-	-
- prawns	0.40	0.50
- shrimps	0.20	0.30
Sardine	0.10	0.30
Sharp-finned catfish	15	0.30
Spanish mackerel	1.00	1.20
Wolf herring	0.90	1.20

* We managed to interview only about five of the fish sellers, because of time limitations. The figures are quite representative of the five people interviewed. But it is not possible for me to judge the position of the rest, although the probability is that the size of their business may be similar.

Wastages

Some wastages are unavoidable, in the form of unsold or rotted ones. Usually the unsold fish is salted; the rotten fish is used as pig-food. Perhaps out of every hundred katis of fish, a wastage of ten katis is possible.

IMPORTED FISH

Certain types of fish have to be imported on account of their non-existence in the waters of Bagan. They include cockle-shell, horse mackerel, mackerel (kembong) and red snapper. Cockle-shell (kerang) comes from Kuala Selangor and Jeram and the others come from Kuala Lumpur. By the nature of its different marketing channel, the shells will be discussed separately.

Purchases

The stall-holders order the required amount of fish through lorry-agents who call daily at the market (to supply imported vegetables as well). In a day the stall-holders purchase about \$20.00 - \$30.00 worth of such fish. The prices at which the fish are sold depends on the Kuala Lumpur wholesale price. Daily 20 katis each of mackerel and horse mackerel and 10 katis of red snapper will be purchased.

Prices

The following is the price spread for one kati of "kembong".

Wholesale price		15 cents per kati.
Agents operating charges	8 $\frac{1}{2}$	
Transport charges	<u>1$\frac{1}{2}$</u>	<u>10</u>
Price at which stall-holder buys		25
Stall-holder's gross profits		<u>25</u>
Retail price		<u>50 cents per kati.</u>

Such additional charges are true of the other types of imported fish also.

Sales and prices

Imported fish can be expected to sell off completely in a day, for the reason that they are in small quantities.

The three types of fish are priced differently.

TABLE 12

RETAIL PRICES OF IMPORTED FISH

Types of Fish	Day of Survey	
	Buying Price	Selling Price
Mackerel (kempong)	40 c/kt.	60 c/kt.
Horse mackerel	50	70
Red snapper	45	60

COCKLE-SHELLS (KERANG)

Sources and transportation

Kuala Selangor and Jeram are the two main sources of the shells. No orders need be made in advance. Daily lorry-agents will call at the market and the fish stall-holders dealing in Kerang will buy from them. A dollar is charged on every sackful of shells as transport costs.

Purchases and finance

Normally each of the three dealers in cockle-shells will purchase two sackfuls of the commodity per day. The shells are of two types: the big-white variety and the smaller-greenish type. As far as possible the dealers pay for their purchases in cash.

One of the dealers interviewed gave an interesting method of debt payment. For instance in a day he buys two sackfuls of shells. Thus his purchases amount to \$13.50 cents. (Please refer to Table 13). Assuming he is able to pay only \$10.00 or so a day, this leaves him a debt of \$3.50. He claims that he is allowed to pay off these debts once every two months. Thus for every day for two months he will incur the same amount of debt, more or less. At the end of the second month his unpaid debt will total \$210.00. According to him his last debt payment was \$150.00

In a day each seller manages to sell off his two sackfuls of the commodity. Since there are only three dealers in the product it is possible to determine the amount of shells which the retail market handles. Thus six sackfuls will be handled daily, making it 180 sackfuls for a month.

TABLE 13

PRICES OF COCKLE SHELL BY WEIGHT AND TYPE

Variety	Weight (kati/sack)	Buying price (\$ per sack)	Transport charges	Total
Large-white	120	\$7.50	\$1.00	\$6.00
Small-green	190	\$6.50	\$1.00	\$7.50

Following is an analysis of the price spread for a kati of each type of shell.

	white/large	green/small
Wholesale price	0.03 c/kt	0.02 c/kt
Agents commissions	0.019	0.0195
Transport charges	<u>0.001</u>	<u>0.0005</u>
Retail buying price	0.05	0.04
Dealers gross profits	<u>0.03</u>	<u>0.02</u>
Retail selling price	<u>0.08 c/kt.</u>	<u>0.06 c/kt.</u>

The retail selling prices of 8 cents and 6 cents have remained stable over the past few years. Of course slight variations do occur. But such changes are only in the downward direction, with no tendency for them to rise. This peculiar phenomenon can perhaps be explained in terms of the elasticity of demand. The demand for cockle-shells being relatively elastic (since their purchases form only a small portion of consumers' daily expenses) any rise in prices may discourage them from buying. But a fall in prices is conducive to consumption.

As a point of interest it will be noted that consumers prefer the large-white variety to the small-green type. The reasons are that the former are more compact, contain less salt elements and is very much cleaner in the sense that less soil is to be found inside the shells. However the small type has all the arguments reversed.

Storage and wastage

The shells are kept inside guni-sacks and put inside wooden boxes. No ice is needed to preserve the shells, for ironically the coldness will kill them instead. Kept in this form the shells can last for about three days. However even before they have a chance to go bad, they probably will be sold.