

## CHAPTER V

### THE MARKETING OF BEEF IN THE RETAIL MARKET

In Malaya two main types of cattle are found: the imported Indian zebu and an indigenous variety which is referred to as the "Kedah-Kelantan" breed by Gosling.<sup>1</sup> Both are domesticated strains of the wild cattle of southern Asia, known by the Latin name of *Bos namadicus*.

The Kedah-Kelantan cattle (lambu in Malay) is the type that will be discussed. Such animals are "small, light-boned and look ..... remarkably uniform in appearance and characteristics"

#### Sources

The supply of beef in Sekinchan retail market comes from Tanjong Karang. This is mainly the result of market limitations. The cattle are slaughtered in Tanjong Karang for the Malay population there is large enough to consume the meat. But this is not so for Sekinchan which is essentially a Chinese area. The beef will then be sold on a wholesale basis to any beef dealer, including the one operating in the retail market.

#### Transportation

The beef stall-holder arrives at the market in the morning by taxi. He brings along with him 30 - 40 kt. of beef (for the day of the survey he brought 34 kt.) Yet he maintains that all he has to pay the taxi operator is the normal fare of 50 cents. No transport charges is imposed on the meat transported.

#### Finances

The beef is bought on a take-now-pay-later basis. If the average price of beef is, say, \$1.00 a kati it means that his purchases comes to about \$40.00 a day. This debt will be settled when he returns home at about six o'clock in the evening.

According to the beef seller he settles his debts partly on an instalment basis. For instance he may manage to pay only \$38.00 out of every \$40.00 worth of purchases. Thus his debts will accumulate. Such accumulated debts, of which he is allowed a maximum of \$100.00 a year, will eventually be paid out of his padi harvest (for he also owns padi lands which are operated by members of his family.)

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<sup>1</sup> Gosling, L.A. Peter: Patterns and Problems of Livestock production in Malaya

## Sales

Most of the customers are Malays. There is nothing of a racial nature about this for all along the Chinese do not consider beef as one of their staple diet.

Sales of beef, in general, coincide with the seasons. During the padi-planting season business would be at a low ebb with less than 20 kt. of beef sold daily. But during periods of harvesting the sales would be much higher, for farmers would be in possession of money newly earned from their sales of padi.

## Prices and price change

The prices of beef as a whole do not change much. Price variations are seldom experienced and can only be caused by unusual events, such as an extreme shortage of beef.

TABLE 14

### TRANSACTION PRICES OF BEEF IN RETAIL MARKET

Varieties	Planting Season		Harvesting Season	
	Buying Price	Selling Price	Buying Price	Selling Price
Beef	\$1.80 c/kt	\$2.20 c/kt	\$1.80 c/kt	\$2.20 c/kt
Bones	0.60	0.80	0.60	0.80
Marrow	- (a)	0.50	- (a)	0.50
Minced meat	0.60	0.80	0.60	0.80

The meat from cattle is classified into four main categories, as shown in the table. The figures help to justify the beef seller's claim that the prices have remained constant throughout.

(a) No datum on the buying price of marrow is given for the reason that it is not definite. The marrow is obtained from the head of the cattle, bought from \$5.00 per head, and sold in bits at the seller's discretion.

An attempt to study the price spread of a kilo of beef will be attempted. For this matter it is necessary to trace back the stages involved in the process - from the purchase of the cattle, transportation and eventual sales.

## Purchases and transportation

The prices paid for the purchases of these animals vary depending on the age, size and weight of the cattle. Cattle in the prime of age is preferred, usually between 2-4 years old. Too young cattle do not contain much meat; too old cattle will provide meat too tough to be satisfactorily consumed. The pattern of pricing may follow the figures tabulated here:

Weight of cattle	Farm price
About 150 kt.	about \$200.00
" 200 "	" 2250.00
" 300 " (a)	" \$300.00-\$350.00

(a) It is seldom that a head of cattle reaches this mark, in view of the underfed situation of most kampong animals. It should be emphasised that the above pattern of pricing is not conclusive and that it should be treated as a rough guide only.

Assume that the beef agents purchase four heads of cattle, each weighing approximately 200 kt. (Four heads of cattle are the normal number purchased every time). A lorry is used to transport the cattle from the farm to Tanjong Karang. The beef agents pay \$6.00 per hour for the rent and use of the lorry, excluding a charge of \$2.00 for every head of the animal transported. A breakdown of the marketing expenses and price spread for a kati of beef will be as follows.

Farm price		1.20 cents per kati
Transportation charges	0.30	
Wholesaler's profit margin	0.30	.60
Wholesale price		1.80
Retailer's profits		.40
Retail selling price		2.20 cents per kati

## Storage

It is seldom that the stall-holder manages to sell off all of the beef. Normally three to four katis would be left unsold. Storage is however no problem for a friend, who owns a restaurant, has put his refrigerator at his disposal.

Meat stored overnight loses some of its flavour. Such meat will therefore will be sold at a reduced price. But only the beef will be affected, selling for \$2.00 instead of the usual \$2.20 cents per kati.

## Problems

The beef stall-holder was quite contented with his business. He claims that his daily profits amount to only

\$5.00 - \$6.00. His major problem is the unassured nature of the supply of beef. Sometimes, once or twice a week, no beef supplies would be forthcoming. Furthermore in his opinion the market for beef is very limited, in the sense that the number of consumers is small.

