

THE STRUCTURE of the INDUSTRY

Market Feature

Between the fisherman and the consumer, there is a chain of sellers who can be classified as:

PRAIH

They are small dealers who sell fish for immediate consumption. Numbering 656 of them, the praihs can be divided into two main groups :

(a) Priah Laut¹

This group consists of dealers engaging in buying catches in bulks at sea. It can be further sub-divided into:²

- (i) Priah Laut (Saja)
- (ii) " Sampan
- (iii) " Motor

(b) Prian Darat.³

This group of small dealers who wait anxiously at landing places for catches brought by the Prian Laut or fishermen themselves, can also be subdivided in accordance with their methods of selling.⁴

- (i) Priah Pantai
- (ii) " Pasar
- (iii) " Kandar
- (iv) " basikal

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- Literally small sea Dealers.
 - The dealers are distinguished from each other by their means of transport to the sea. The first sub-division is those who possess no boat; the second is those with sailing craft; and, the last category consists of those who go to fishing grounds to fish, in their powered craft.
 - Literally : small land or shore Dealers.
 - Prah Pantai (Pantai = beach) are small retailers at landing spots.
 - " Pasar (Pasar =market) are retailers in the market.
 - " Kandar (kandar = carrying pole across the shoulder) carry fish for sale from house to house in town areas.
 - Prah basikal (basikal = bicycle) - with a big basket on the carrier, they cycle fish to inland areas as far as 6 - 15 miles, from the landing places.

Table 1

Distribution of Praih in Trengganu, 1956.

Type of Praih	Kuala Trengganu	Besut	Kemaman	Total
<u>Praih Laut</u>				
Praih Laut Saja	8	-	35	43
" Sampan	-	17	12	29
" Motor	-	-	25	25
Total	8	17	72	97
<u>Praih Darat</u>				
Praih Pantai	10	-	35	45
" Pasar	30	-	125	155
" Kandar	5	-	2	7
" Basikal	177	137	38	352
Total	222	137	200	559
Grand Total	230	154	272	656

Source: A.P.F.D. (N-E) 1956.

2. MIDDLEMEN.¹

Some middlemen own fishing gears and boats and let them operated by the fishermen who must sell catches to them at the latter's terms. While others, the less enterprising ones, buy fish from the praih laut or fishermen themselves. The catches are preserved in ice, or salted and dried, for export. There

1. To distinguish from the Praih (small fresh-fish dealer), "middleman" is defined here as a bigger dealer who does business in dried or preserved fish.

There are sixteen middlemen who use vans for transporting the products.¹

3. WHOLESALERS

The wholesalers to whom the supplies from the middlemen are sent, operate in the main markets such as in Kuala Lumpur, Kuantan, Ipoh and Penang.

4. RETAILERS

The fish are auctioned by the wholesalers to retailers who are at the bottom of the chain.

B. Transportation

Poor communications slow down the growth of Trengganu fishing industry. There is no railway in the State and the main road stretching, for about 230 miles from Kuantan to Kota Bharu via Kuala Trengganu, is intercepted by eight ferry-crossings which are open to traffic between 6 a.m. to 10 p.m. The service is suspended at some of these ferries when tides are low.

Preserved fish of high grade such as tenggiri, are transported by road to Kuala Lumpur² and Kuala Lipis from Kemaman area; and to Kota Bharu for onward transporting by rail to larger markets, from Kuala Trengganu and Besut areas.

1. They are classified as "Praih van" in the Annual Report, Fisheries Dept. North East Zone, 1956. The total number of all middlemen's vans and their other means of transportation are not available.

2. Through the Maran-Temerloh Road, open to traffic in June, 1955. The new road cuts short the normal distance between Trengganu - Kuala-Lumpur by about 70 miles.

Some quantities of them are sent by air to Kuala Lumpur and Penang when price differences justify it.

Dried fish are exported by road in the same manner, as well as by sea.

In spite of unsatisfactory communications, considerable amounts of fresh and dried fish are exported annually from the state.¹ Out of the total production of 200,454 piculs last year, 123,331.03 pikuls were exported.

Table 2

Comparison between Fish Landings and Exports from the State.

1956 (Quarterly)

(in piculs)

Months	Total Landings	Total Exports
January - March	35,970	20,379.16
April - June	54,197	37,226.73
July - September	87,038	48,557.12
October - December	23,249	17,168.02
Total	200,454	123,331.03

Source: A.R.F.D. (N-E) 1956

1. The industry has suffered from severe set backs due to:
- (i) Thailand Ports have been closed to customary trade in belachan (processed from shrimps), since 1953.
 - (ii) Restrictive measure taken by Indonesian Government against dried fish trade since 1952.

Table 3

Fresh Fish Exported Quarterly by Road

1956.

(in picul)

Month	Kuala Trengganu	Besut	Kemaman	Total
Jan - March	1,729.15	1,500.00	3,736.00	6,965.15
Apr - June	4,394.50	2,200.00	1,947.00	8,541.50
July - Sept.	2,717.64	2,450.00	3,274.00	8,441.94
Oct - Dec.	637.91	300.00	1,080.00	2,017.91
Total	9,479.50	6,450.00	10,037.00	25,966.50

Source: A.R.F.D. (N - E) 1956.

Table 4

Dried Fish Exported Quarterly by road and Sea.

1956

(in picul)

Month	Kuala Trengganu		Besut		Kemaman		Total	
	Road	Sea	Road	Sea	Road	Sea	Road	Sea
Jan - March	3,616.61	3,606.61	850.00	-	3,025.00	2,315.78	7,491.61	5,922.40
Apr - June	5,085.50	5,254.15	5,450.00	-	3,915.00	2,980.55	20,450.50	8,234.73
July - Sept.	15,664.43	11,892.58	1,550.00	-	6,066.00	4,942.17	23,280.43	16,834.75
Oct - Dec.	5,839.23	4,869.27	1,600.00	-	760.00	2,081.61	8,199.23	6,950.88
Total	40,205.77	25,622.61	5,450.00	-	13,766.00	12,320.11	59,421.77	37,942.76

Source: A.R.F.D. (N - E). 1956.

C. Credit System

Fishermen's needs of credits for productive and consumption purposes in various circumstances are satisfied through :

1. Domestic Mobilization.

The capital is drawn from property inherited or years of thrift by individuals or groups pooling the money together.

2. Daganan.¹

Having some capital himself he lends it for purchase of some gears, and advances during monsoon period. Such loan, which is usually free of interest, is given to the leader of the fishing unit to which he belongs. He gets the loan back by deducting from the unit's weekly earnings. This system is well practised in Kuala Trengganu area.

3. Middlemen.

While some middlemen are proprietors, others are financiers of fishing gears and boats so as to ensure steady supplies of fish and lesser degree of competition from the Praih and other middlemen.

On giving out the loans or off season credit advances, a special clause is attached to the agreement requiring the debtors to sell the fish to them who weigh them and fix their prices about 5 - 10% below market price to give allowance for interests on the loans.

1. For further information, see page 27

2. particularly at Kuala Kemaman.

The debts are supposed to be paid by instalments from the units' weekly earnings. But for understandable reasons, the financier never encourages for its settlement.

In some cases, the line of credit advances come from wholesalers in urban centres, through the middlemen, to the fishermen. In the absence of daganan, this form of credit advances is in widespread practice in Kemaman area.¹

4. RIDA²

Loans for installation of engines and purchase of fishing gears and boats, were usually granted by RIDA, on recommendation of the Fisheries Department, until early part of last year. In 1955 a total sum of \$74,200 secured loans were given out by the Authority³. In compliance with the findings of the Federal Fisheries Committee,⁴ the RIDA's assistance has been withdrawn.

5. Cooperative Societies

In accordance with the Committee recommendation, a \$3 mill. Aid Scheme is made available by the Government as loans ^{for} to fishermen/purchasing of capital equipment with priority given to the east-coast fishermen; the loans are granted to them through their recognised cooperative societies, in the form of credits at a rate of 12% per year on outstanding balances, repayable within three years.

1. particularly at Kuala Kemaman.

2. Rural and Industrial Development Authority.

4. "Report of the Committee to Investigate the Fishing Industry."
Printed at the Government Press, Kuala Lumpur, 1956. p. 6.

3. A.R.F.D. (N.E.) 1955, Appendix VII.

6. Other sources

Loans given by relatives, and others on interests¹

D. Cooperative Organization²

This organization is still in its infancy being in existence only this year. It comprises:

1. Primary Societies.
2. A Cooperative Transport and Marketing Union.

1. Primary Societies³

The societies have two functions:

- a. To collect and grade members' catches.
- b. To obtain loans from the Aid Scheme.

The societies are grouped in twelve centres each of which will have a common Collection Depot to serve them in the assembling and storage of fish for ultimate collection by the Transport and Market union.

2. A Cooperative Transport and Marketing Union⁴

The Union whose membership comprises all the primary societies, have among others, the following objects:

- a. To market member's fish and other produce, and to obtain fishing, agricultural and other necessities for them;

1. A detailed description of such loans (as to evade taking of usury), is given by Prof. Raymond Firth in his "Malay Fishermen: Thin Peasant Economy" Printed by Butler and Tanner Ltd. Frome and London. First published in 1946, pp 167 -176.

2. In order to implement the \$3 mill. Aid scheme to the fishermen in the East Coast the cooperative organization was formed recently. Details about the Organization are based on "Notes on a Meeting held on Saturday 12th Jan. 1957, at Kuala Trengganu Rest House, to determine the set up of the Fishermen's Cooperative Societies in the East Coast," sent to the writer by Ag. Senior Cooperative Officer, N.E. Malaya.

3. Known as Fishermen's Cooperative Credit and Marketing societies contd.

- b. To establish and maintain a motor transport service to facilitate its business; and
- c. To provide such financial assistance by way of loans or otherwise for members.

The Union manages and runs all the twelve Collecting Depots, each of which will have a refrigeration room. It does not buy the produce of its members outright but accepts such produce for marketing on a commission basis. Full payment to its members will be made only after ultimate disposal of the produce. Possible markets for the catches are being investigated.

Ltd. They are being formed in the fishing villages along the East Coast on the principle of one society to serve one village.

3. The Union was formed in July 1957 under the name of: The East Coast Fishermen's Cooperative Transport and Marketing Union.