

Marine Fresh Fish Marketing in Sri Lanka

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Abstract

Present study aims to review the marine fresh fish marketing system, its key stakeholder characteristics and their activities in relation to profit maximizing in the process. The study was conducted in following centres: Kandakuliya, Kalpitiya, Negombo, Beruwela, Galle, Weligama and Tangalle between February and July 1998. A questionnaire was used to collect information/data separately from each middleman. The sample included 56 Assemblers' (8 persons from each centre), a 10% sample of commission agents (C.A.) at St. John's fish market amounting to 8 and 38 retailers in Colombo municipality area for the interviews.

Investment of the middlemen in existing marine fresh fish marketing system generally derived from fixed capital investment, which consists of fixed assets that represent a function of performance and daily investment from fish purchase. Highest average annual fixed capital (Rs. 388,000) was invested by assembler for purchasing vessels and vehicles, building a fixed location at landing center and purchasing boxes for fish transport, and the lowest investment by C.A. (Rs. 29,000) compared with retailer (Rs. 40,000). Commission Agent invests nothing for daily fish purchase comparatively to assembler (Rs. 30,000) and retailer (Rs. 1,500). The highest average expenditure per kg of fish (13.76%) was spent by retailer due to higher transport cost, usage of ice, and other expenditure and the lowest by C.A. (4.70%) in between value (5.60%) by assembler. About 23% of the assemblers get financial facilities from C.A. at St. John's market and 19% of them from banks. Of the expenditure, retailer spends 22% for transport with slight variation on distance, transport method, ice availability and cost of funds from middlemen. Furthermore, Assembler, C.A. and Retailer spent 1.05%, 0.96% and 1.28% for ice. On average for all fish varieties handled by the middlemen, a profit of per kilogram of fish vary from, assembler (Rs. 4.40 – 54.40), C.A. (Rs. 5.30) and retailer (Rs. 6.24-96.24). Based on the assembler's purchasing price per kg (Rs. 20-100) for all varieties of fish, the price increases 280%-300% when it reaches the consumer. For small fish varieties, the Assembler purchasing price (Rs. 20-55) increases 236% -300% and for large fish varieties (Rs. 40-100 per kg) increases 175%-280%, when they reach to the consumer. The reason for high profit and investment return for the retailer was the higher gap between purchasing price, selling price and usage of mechanism of price discrimination. Middlemen activities, specially the retailers, are directly affected to increase the final price of fish. Retailer margin and total expenditure are higher than that of the assembler and commission agent.