Abstract: Fish trading is a vital economic activity in Bangladesh, but marketing and trading practice is quite inadequately studied. Therefore, a study was carried out from July to December 2002 to examine the marketing and trading of fish in the local markets of Chuadanga district. Questionnaire survey, personal interviews, and field survey were carried out in two prominent fish markets named Rail Bazar and Sarojganj Bazar. The study revealed that there were six kinds of marketing channel operating in the study areas. The market participants included fishermen, aratder, wholesalers, retailers, and consumers. The fisherman’s share decreased with the number of intermediaries in a channel. Most market participants financed their business from own funds. A fisherman spent on an average Tk. 222.00 for marketing 100 kg of fish which covered mainly transportation, personal expenses, aratder’s commission, market tolls, and wastages. Whereas, an intermediary spent Tk.146.00-169.00 for marketing of 100 kg fish. Where, a fisherman spent a major share for paying transportation cost and aratder’s commission, an intermediary spent quite a big share for covering losses due to wastages. The marketing margin for intermediaries, ranged form 6-9%. The volume of fish trading depended on the supply of fish and the number of the buyers. The study also identified that inadequate and poor physical condition of the market place, transportation, and capital shortage were only a few of many problems in the study area. Considering the importance of these markets to the economy of the region, the study suggested upgradation of the existing physical facilities of the markets, and facilitation of institutionalized credit facilities for the stakeholders.

Key words: Fish marketing, cost, price, share, fisherman, aratder, wholesaler

Introduction

Marketing system of any goods includes all activities involved in the flow of goods from the point of initial production to the ultimate consumers. The marketing system plays two important roles. The role of physical distribution, which is concerned with the physical handling and transfer of products as they move from producers to consumers and the role of adding value to farm commodities, facilitating the exchange process between buyers and sellers (Kohls and Uhl, 1980). As a perishable item fish and fishery products face great challenge from marketing point of view. Fish production is an integral part of the marketing process as fish and fishery products are highly traded commodities (Deomampo, 1998). Production of fresh water fish can be increased by

*Corresponding author. Mobile: 01914325049; e-mail: <agrabbani@yahoo.com>

DOI: https://doi.org/10.53808/KUS.2007.8.2.10723-L
making best utilization of the existing inland resources through modern and scientific method of fish culture and fishing. But the ultimate consumers have to depend on an efficient marketing system to make this fish available at reasonable prices with good quality.

The total fish production in Bangladesh was 1.78 million tons in 2000-2001, of which 1.4 (79%) and 0.38 (21%) million tons came from inland and marine water respectively (Anon, 2002a). About 97% of the total production is marketed internally for domestic consumption while the remaining 3% exported (Anon, 2002a). As compared to export market, domestic market is huge in number and varied and complex in terms of volume, value and employment. A large number of people, living below the poverty line, find employment in domestic fish marketing chain in the form of farmers, processors, traders, intermediaries, day laborers and transporters (Ahmed et al., 1993; Anon, 2002b). However, the most serious difficulties seem to occur in the marketing and distribution channel, where the farmers are in a weak position. In addition, the middlemen have established a new marketing chain based on the extreme exploitation of the fish farming communities by setting up an artificial pricing policy through intermediaries at different levels (Rahman, 1997; Kleih, 2001).

Steps are being taken to increase production but little emphasis has been given to improve the existing marketing system though production and marketing both are interrelated. During the fishing season, a huge quantity of fish is not marketed and wasted due to inadequate transport facilities (Rahman, 1997). Therefore, it is important to investigate the existing fish marketing system to identify marketing inefficiencies that have negative impact on poor fishermen/farmers and traders. The water body of Chuadanga district and its production is highly potential but both fishermen and consumers are being exploited due to poor and inefficient marketing system. The total area of water bodies in Chuadanga district is about 2849.77 hectare including 11 baors area of 513.42 hectare, 63 beels of 501.90 hectare, 12 canals of 19.90 hectare, rivers of 499.45 hectare, and flood plains of 330.58 hectare. The production from these water bodies was about 7500 metric tons in 2002 (Anon, 2002a). The present study mainly focused on the marketing channels, institutions, functions and other problems in the marketing of fish in Chuadanga district.

The main objective of the present study was to observe the existing fish marketing with a view to assess the performance of the marketing system, estimate costs and margins, to identify problems associated with the fish marketing and remedial measures of fish marketing problems. The suggestions based on findings of the study will help to improve operation in the area concerned.

Materials and Methods

The study was conducted in Rail Bazar and Sarojganj Bazar under Chuadanga district from July to December, 2002. Primary data were collected by using questionnaire interviews with fishermen and intermediaries. A total of 25 fishermen and 75 intermediaries were randomly selected from different stages of fish marketing for the study. Among the intermediaries 15 were aratdar, 37 were a wholesaler and 23 were retailers operating in
the two primary markets chosen. The two villages namely Vultia and Nihalpur under Chuadanga district were also selected for interviewing of the fishermen because of their vicinity to the markets. The information gathered through these interviews was used to establish the complete picture of both wholesale and retail market that included market participants, the marketing channel, the marketing cost, the marketing margin and fishermen’s share. Secondary data about fish distribution and marketing information were collected from government and non-government organizations and personnel such as Department of Fisheries (DoF), Upazilla Fisheries Officer, fisheries extension workers.

Results

Marketing channel: Mainly six channels were identified in the study area depending on the number of market participants which comprised of fishermen, aratdar, wholesaler, retailer, and consumers (Table 1).

Financing: Both fishermen and intermediaries had the similar source of financing (Table 2). They tried to finance their business primarily on their own. For additional financing they turned mainly to the money lenders.

Marketing expenses of fishermen: Average expense for marketing of 100 kg fish was about Tk. 222. Transportation, personal expenses, aratdar’s commission, market tolls, entertainment and wastages were the major items of expense for the fishermen (Table 3). They spent half of their total expenses for paying transportation cost and aratdar’s commission.

Marketing expenses of intermediaries: Average expenses for marketing 100 kg fish varied from intermediaries to intermediaries (Table 4). The retailers spent the highest amount of money (about Tk. 182) followed by the wholesalers (Tk. 169) and the aratdar (Tk. 146). Wastage, transportation, personal expenses, market tolls, and wages were five major items of expenses which accounted for about 80% of their total expenditure.

Table 1. Composition of different marketing channels of Railabazar and Sarojganj Bazar.

<table>
<thead>
<tr>
<th>Channel</th>
<th>Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Fishermen → Consumer</td>
</tr>
<tr>
<td>II</td>
<td>Fishermen → Wholesaler → Consumer</td>
</tr>
<tr>
<td>III</td>
<td>Fishermen → Wholesaler → Retailer → Consumer</td>
</tr>
<tr>
<td>IV</td>
<td>Fishermen → Aratdar → Retailer → Consumer</td>
</tr>
<tr>
<td>V</td>
<td>Fishermen → Aratdar → Wholesaler → Consumer</td>
</tr>
<tr>
<td>VI</td>
<td>Fishermen → Aratdar → Wholesaler → Retailer → Consumer</td>
</tr>
</tbody>
</table>

Table 2. Sources of finance of fishermen and intermediaries.

<table>
<thead>
<tr>
<th>Fishermen and Intermediaries</th>
<th>Own fund %</th>
<th>Friends and relatives %</th>
<th>Money lenders %</th>
<th>Traders %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fishermen</td>
<td>60</td>
<td>10</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Aratdar</td>
<td>75</td>
<td>5</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Table 3. Marketing cost of fishermen (in Tk. per 100 kg).

<table>
<thead>
<tr>
<th>Cost item</th>
<th>Cost /100 kg</th>
<th>% of total cost</th>
<th>Rank order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>68.50</td>
<td>30.90</td>
<td>1st</td>
</tr>
<tr>
<td>Personal expenses</td>
<td>28.25</td>
<td>12.74</td>
<td>4th</td>
</tr>
<tr>
<td>Aratdar’s commission</td>
<td>57.50</td>
<td>25.92</td>
<td>2nd</td>
</tr>
<tr>
<td>Wastages</td>
<td>32.50</td>
<td>14.65</td>
<td>3rd</td>
</tr>
<tr>
<td>Market tolls</td>
<td>20.0</td>
<td>9.03</td>
<td>5th</td>
</tr>
<tr>
<td>Others</td>
<td>15.0</td>
<td>6.77</td>
<td>6th</td>
</tr>
<tr>
<td>Total</td>
<td>221.75</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>
Cost items | Aratdar | Wholesaler | Retailer | Average of all intermediaries | Rank order of cost items
--- | --- | --- | --- | --- | ---
Transportation | - | 35.25 (20.97) | 30.0 (16.49) | 21.75 (12.49) | 3rd
Wages and salaries | 45.25 (31.05) | - | - | 15.08 (10.35) | 5th
Market tolls | 11.37 (7.91) | 15.85 (9.43) | 25.30 (13.91) | 17.51 (10.38) | 4th
Storage | - | 12.25 (7.29) | - | 4.08 (2.43) | 9th
Wastage | 38.10 (26.25) | 30.50 (18.15) | 60.05 (33.02) | 42.88 (25.82) | 1st
Grading | - | 13.0 (7.73) | - | 4.33 (2.58) | -
Aratdar’s commission | - | 25.25 (15.02) | - | 8.42 (5.00) | 7th
Containers | - | - | 15.75 (8.66) | 5.25 (2.89) | 8th
Personal expenses | 23.15 (15.86) | 20.33 (12.10) | 50.50 (27.77) | 31.33 (18.58) | 2nd
Entertainment | 18.42 (12.66) | 15.62 (9.29) | - | 11.35 (7.32) | 6th
Stationary | 9.25 (6.36) | - | - | 3.08 (2.12) | 10th
Total cost | 145.54 (100) | 168.05 (100) | 181.60 (100) | 165.06 (100) | -

Note: Figures in parentheses indicate percentages

**Marketing margin of intermediaries:** Net margin for the intermediaries ranged from Tk. 200 to Tk. 400 for marketing 100 kg fish. For this purpose, their investment ranged from Tk. 3800 to Tk. 4700. The wholesaler got the highest return over investment which was about 9% whereas for aratdar and retailer it was about 6% (Table 5).

<table>
<thead>
<tr>
<th>Intermediaries</th>
<th>Purchase price</th>
<th>Sale price</th>
<th>Marketing margin</th>
<th>Marketing cost</th>
<th>Net margin</th>
<th>IBS</th>
<th>ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aratdar</td>
<td>3712.00</td>
<td>4091.00</td>
<td>397.00</td>
<td>145.55</td>
<td>233.45</td>
<td>3858.32</td>
<td>6.05</td>
</tr>
<tr>
<td>Wholesaler</td>
<td>4021.00</td>
<td>4570.00</td>
<td>549.00</td>
<td>168.05</td>
<td>380.95</td>
<td>4189.25</td>
<td>9.10</td>
</tr>
<tr>
<td>Retailer</td>
<td>4515.00</td>
<td>5021.00</td>
<td>506.00</td>
<td>181.60</td>
<td>324.40</td>
<td>4697.35</td>
<td>6.91</td>
</tr>
</tbody>
</table>

IBS = Invested business capital, ROI = Return over investment

**Price spread and fishermen’s share in retail price:** Price spreads and fishermen’s share for channel V and Channel VI are shown in table 5. The fishermen’s share decreases with the increases of middlemen in the marketing channel.

<table>
<thead>
<tr>
<th>Item</th>
<th>Marketing channels V</th>
<th>Marketing channels VI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail price Tk. per 100 kg</td>
<td>4570.00</td>
<td>5021.00</td>
</tr>
<tr>
<td>Fishermen’s gross price Tk. per 100 kg</td>
<td>3712.00</td>
<td>3712.00</td>
</tr>
<tr>
<td>Fishermen’s net price Tk. per 100 kg (b)</td>
<td>3490.25</td>
<td>3490.25</td>
</tr>
<tr>
<td>Price spread (Tk.)</td>
<td>858.00</td>
<td>1309.00</td>
</tr>
<tr>
<td>Fishermen’s gross share (% of retail price)</td>
<td>81.22</td>
<td>73.93</td>
</tr>
<tr>
<td>Fishermen’s net share (% of retail price)</td>
<td>76.37</td>
<td>69.51</td>
</tr>
</tbody>
</table>

**Discussion**

The study revealed that in both wholesale and retail market fish trading consisted of several intermediaries in between fishermen and consumers. The greater the number of the intermediaries, the higher was the price of fish. These intermediaries were locally known as aratdar, wholesaler and retailers. Basically, two marketing channels were identified. One channel consisted of fishermen-aratdar-wholesaler-consumer. The other channel was aratdar-wholesaler-retailer-consumer. In most cases, aratdars purchased fish directly from the fishermen and sold the same to the wholesaler. wholesaler sold the same to the retailers and the retailers sold the same to the consumers. Moreover, fishermen
also sold fish directly to the wholesaler who sold them to consumers. However, the intra
intermediary relationship made this kind of marketing channel more complex. The fish
marketing channels of the study area were evaluated using two criteria, namely,
marketing margin and availability of physical marketing facilities.

The fishermen’s share is widely regarded as a measure of fairness of farm price and the
efficiency of marketing system (Kohls and Uhl, 1980). For this the term ‘price spread’ is
used which is synonymous to ‘marketing margin’ (Rashid and Chowdhury, 1973). But
the important aspect of ‘price spread’ is the size of the share rather than the total return
received by the producer for the sale of their product. The size of the share must be
adequate to cover their production cost and to give a fair rate of return for the risks and
labor undertaken. In this study, the fishermen’s share of the consumer’s price was
however, found to be inversely related with the length of the channel; the shorter the
channel, the higher was the share. High marketing cost is due mainly to the functional
inefficiency of the marketing system. Again, lack of transportation, storage, preservation,
and lack of market information indicate some degree of inefficiency in the inland fish
marketing system. This situation can be improved by improving physical marketing
facilities and eliminating unnecessary and insufficient and exploitative middlemen from
the marketing channel. Inefficient transportation and inadequate and unscientific storage
facilities for fish signify lack of efficiency in the existing fish marketing system. The profit
component in the margin for all intermediaries was higher than the cost component.
Profit margin of intermediaries of fish marketing, however, does not seem to be unusual
in the context of developing country like Bangladesh.

Marketing functions studied from the view point of buying and selling, transportation,
grading, storing, weighing, financing and market information. It has been found that
prices of fish were determined by the method of open bargaining between buyers and
sellers. Market price depended mainly on the supply of fish and number of buyers in the
market. Payment was mostly in cash; however, credit was also common. The means of
transportation of fish was mostly shoulder load, head load, and rickshaws. Storage
facilities at various levels of fish trading were quite unsatisfactory. Due to the lack of
storage facilities it was observed that significant part of the traded fish was wasted. A
very few cases of grading of fish according to their sizes were observed. This study
recognized that the fishermen, aratdars, wholesaler and retailers were not self sufficient in
respect of their capital needs. They borrowed money from their friends and relatives,
money lenders and fellow traders. In many cases, aratdar paid advance money to the
fishermen. In the lean season when fishermen find no way to earn, they take loan from
the local aratdar under a condition that they will have to sell their entire catch to the loan
provider, at a certain price fixed earlier. Through such conditional trading local
producers never get the actual price of their catch. The cost of fish trading varied from
level to level and each level had different component which contributed to the overall
cost of operation such as aratdars considered wages and salaries as the main component
of their cost whereas wholesaler considered transportation as their primary cost.

The study identified some problems as reported by the fishermen and the intermediaries.
The problems reported by the fishermen included, lack of marketing facilities, poor
communication and higher transportation cost, lack of financial support, higher market
tolls, and lower price of fish. Whereas, the problems noted by the intermediaries included, shortage of capital, price fluctuation, perishability of fish, inadequate storage facility, inadequate transportation facility, and lack of marketing facilities.

Conclusion

This study primarily suggests that the fishermen need to be integrated with market by forming collectors’ association. Secondly, the government should invest for market infrastructure development. Thirdly, all intermediate players in fish trading should be brought under a single apex body or under a wing of Department of Fisheries so that their stakes and problems are taken care of, for them to help remaining in the business. Finally, institutional intervention is necessary to control conditional trading. In this regard, pro-poor micro credit facility should be ensured for the fishermen.

References


Anon. 2002b. Introduction to sustainable livelihoods (SL) and its relationship to project work. URL: <www.livelihoods.org>.


244