



Price Spread and Market Margin of Fish in Ujanbazar Fish Market of Guwahati, Assam

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Marketing channel, price spread, market margin, marketing cost.

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ABSTRACT *An efficient marketing arrangement is one of the most important conditions for development of any economy. The study tries to analyse the marketing channel and price spread of fish in the Ujanbazar fish market of Assam. The study is based on primary data. The study comprised of 30 wholesalers, 25 retailers and 20 consumers from Ujanbazar fish market of Guwahati of Assam. The study reveals that the two marketing channels Dealers-Large retailers- Consumers and Dealers- Small retailers- Consumers are more preferred by the consumers because in these chains consumers do not have to compromise on the freshness and tastes of fishes and the marketing costs and margins are lower than the other marketing channels. .*

Introduction:

The coin of growth and development of an economy has two sides- development of the manmade economy and proper utilization of the potential natural resources of the country. Manmade economy can be seen in the manufacturing and industrial sector, services sector, while natural resources embrace agriculture and allied activities, fishing, mining etc. Indian economy is also not different. These two sides of the coin of Indian economy makes the country to move towards development. Notably, among the natural side of the Indian economy, by adding a giant portion to the GDP pie of the country, fishing has been an inseparable part of the budding Indian economy. It has been contributing, together with agriculture and allied activities, a major share to the GDP of the country which was registered to be 15.7 per cent during 2009-10. Being recognized as the sunshine sector in Indian agriculture, fisheries and aquaculture sector has not only been stimulating the growth of a number of subsidiary industries, but has also been the source of livelihood for a large section of economically backward people, especially fishermen of the country, raising their economic and social status in the society. The country, with third position in fisheries and second in aquaculture, has high potential in the sector for rural development, employment generation, domestic nutritional security, gender mainstreaming as well as export earnings, which only few other activities can provide (Report of the Working Group on Fisheries, XIth Plan, p.10). (http://en.wikipedia.org/wiki/Fishing_in_India).

Since independence, fish production has increased more than ten-fold in India. (http://en.wikipedia.org/wiki/Fishing_in_India). Export of fish and fish products from India in 1991 was about 140 thousand tones, whereas during 2010-11, fishing sector (along with agriculture and forestry) was expected to show a growth of 5.4 percent as opposed to the previous year's growth of 0.4 per cent in the GDP of India (<http://indiacurrentaffairs.org/advance-estimates-of-national-income-2010-11/>).

Development of such an important sector has undoubtedly brought changes to many lives since thousands of people are so intimately related to this sector ; they have found their livelihood in this very sector. This change has impacted the economies of different parts and regions of the

country positively.

Among the north eastern states, Assam, being a major business hub for many entrepreneurs, has presented "fishing" as a source of income-earning for many big and small entrepreneurs. Pisci-culture has contributed largely to poverty alleviation in the rural Assam. Fishery in Assam not only provides livelihood to the old generation, but the youth are also getting a means to live and improve their socio-economic condition. This fact about fishing business has made it a major contributing ingredient of the State's economy. Thus, fishing has become a vast arena of the state's economy.

It is unfortunate to state that despite the presence of the ample scope for fish production, Assam has to face shortage of fish production. As reported by the State fisheries department, this deficiency is partially met by importing fish to the tune of around 0.25 lakh tones annually by private traders from other states like Andhra Pradesh, Uttar Pradesh, West Bengal and Bihar causing a draining out of an amount of around Rs. 100 crore annually from the State (Fish Seed Industry of Assam-<http://assmagribusiness.nic.in/New/FishSeedIndustryofAssam.pdf>).

Guwahati, a major city of Assam, has been the centre of major administrative and economic activities in the state. Due to the flow of the mighty Brahmaputra by its side, fishery and aquaculture have been able to show their economical importance in the city. It would not be wrong to say that Brahmaputra has gave birth to many fish markets in Guwahati. Noteworthy among these fish markets is the " Uzanbazar fish market". Emergence of this market has many views since nobody can say exactly what the time was when it came into existence.

Quintals and quintals of fishes are bought and sold here every day. Huge transactions take place under its small roof. The day of the market begins before the sunshine and it ends after the sunset. The market is like a mother to its vendors providing two times meal a day.

With this back ground the present study aspires to assess the marketing channels, marketing cost and margin of fish vendors in Uzanbazar fish market of Assam.

Methodology :

The study is based on primary data collected from the Uzanbazar fish market of Guwahati, Assam. For collecting the information pertaining to fish marketing 30 wholesalers, 25 retailers and 20 consumers were selected. The main categories of sample interviewed are –

- Whole-sale fish vendors
- Retail fish vendors
- Fish hawkers
- Retailer fish vendors who take fish from Uzanbazar fish market and sell them elsewhere
- Buyers of the fish market

The number of whole-sale fish vendors, in Uzanbazar fish market, lies below that of the retailers. It can be seen like out of every 100 fish vendors, 30 belong to the whole-sale category while 70 fall within the retailers section.

The prices prevailing at successive stages of marketing on the same data were taken and the costs and margin worked out. The present study related to the year 2012.

Marketing channels:

The market, being the biggest of all the fish markets of Guwahati city, is situated on one of the banks of the Brahmaputra called the Uzanbazar ghat (ghat means bank of a river, one of the most famous ghats of Guwahati). The fish market is located on the roadside, less than about ½ km away from the ghat. People, besides the local ones, residing far away from the market prefer to buy fishes here due to their quality and price. The market has maintained its standard and prestige from very old days. The esteem of the Uzanbazar fish market has been due to its exalted quality fishes at evenhanded prices that greatly satisfy the customers.

Usually fishermen, catching fish by laboring overnight, do not sell fishes directly in the market. He cannot reach a deal of favorable prices as a seller mainly because of the following reasons:

- A) He meets buyers (i.e., intermediaries) one at a time and at different times.
- B) He cannot keep fishes for time because of its high perishability.
- C) He has no specific place to sit in the market to sell his products (i.e., fishes).

That's why, fishes are made available to the final consumers at the right time and in the right place through an effective marketing channel. In common cases, in any business, there are found two types of marketing channels:

- A) Direct marketing channel
- B) Indirect marketing channel

In case of direct marketing channel, the product (in this case, it is fish) goes to the hand of the final consumer directly from the producer. There is no middleman involved in this case. The situation is a little different for the indirect channel. In this case, the product reaches the final consumers through the middlemen. This latter chain largely prevails in the Uzanbazar fish market. The chain involves the main players like producers, dealers, whole-salers, retailers, retailers who sale in other markets, fish hawkers and final consumers.

From the findings of the survey, it has been tried to make

clear the following chain which presents a gross idea in a compact form:

Presence of three types of players can be seen in the Uzanbazar fish market-

- a) Dealers
- b) Whole-salers
- c) Different types of retailers

Dealers are those who deal in a major part of the fishes arriving in the bazaar. Being the buyers of a giant portion of fishes imported into the market, they purchase the fishes at a very low prices and sale them to the whole-sellers and large retailers at some profits. They bear the cost of bringing the fishes to the market, loading and unloading of large drums and cartons of fishes which they pay to the labors. The dealers never deal with the consumers directly. The whole-salers, then, sell the products to the retailers and sometimes directly to the consumers. The retailers, buying fishes from whole-sellers, sell them to consumers and other retailers or fish-hawkers who carry different kinds of fishes in small quantities into creels and hundies and sell them at the doorstep of the consumers. This clearly portrays the marketing channel of the fish market.

Before discussing the marketing channel, it seems important here to mention that five types of retailers are found in the fish market of Uzanbazar. These are:

- 1) "Large retailers"- buying fishes in large quantities like 30-50 kg and selling them to other retailers.
- 2) "Small retailers"- dealing in small quantity of fishes like 4-5 kg.
- 3) Retailers selling fishes outside the market premise on the footpath.
- 4) Retailers taking fishes from Uzanbazar fish market and selling them in other markets.
- 5) "Fish hawkers"- selling fishes at the doorsteps of the consumers.

Worth noting is the fact that the number of female fish vendors in the Uzanbazar fish market is quite significant. If all the categories of fish vendors, i.e., whole-salers and all types of retailers, are taken together, then the number of female vendors is about 35% of the total.

Let us view some important marketing chains prevailing at Uzanbazar fish market in the following:

- i) Producers- Dealers- Whole salers and large Retailers- Small Retailers- Final consumers
- ii) Producers- Dealers- Whole salers and large Retailers- Retailers who sale in markets other than Uzanbazar fish market- Final consumers
- iii) Producers- Dealers- Whole salers and large Retailers- Fish hawkers- Final consumers

Another chain could arise as follows:

- a) Dealers- Whole salers and large retailers- Small retailers- Final consumers
- b) Dealers- Whole salers and large retailers- Retailers who sale in markets other than Uzanbazar fish market- Final consumers
- c) Dealers- Whole salers and large retailers- Fish hawkers- Final consumers

Another kind of chain may be:

- I) Whole salers- Large retailers- Small retailers- Final consumers

- II) Whole salers- Large retailers- Retailers who sale in markets other than Uzanbazar fish market- Final consumers
- III) Whole salers- Small retailers- Final consumers
- IV) Whole salers- Retailers who sale in markets other than Uzanbazar fish market- Final consumers
- V) Large retailers- Small retailers- Final consumers
- VI) Large retailers- Retailers who sale in markets other than Uzanbazar fish market- Final consumers
- VII) Large retailers- Fish hawkers- Final consumers

The above depiction of the marketing channel prevailing in the Uzanbazar fish market, brings out another ingredient for discussion, i.e., costs and margins of the fish vendors of Uzanbazar fish market.

Costs and margins prevailing in the Uzanbazar fish market:

“Marketing costs” are the actual expenses in the marketing process. They include not only the cost of performing the various marketing functions, but different levies as well. The costs of marketing functions include transportation costs, labor charges, packaging, storing processes etc. “Marketing margins” are the actual amounts received by the marketing agencies in the marketing process (Moore, Johl and Khusro, 1973). The marketing margin between the cultivator and the consumer may be taken as an index of the soundness of the marketing set up of any produce (Gopalaswamy, 1977)

Interesting to note that a cultivator’s share of the consumer’s rupee is very small. Whole-salers and retailers together often grab as much as 40 paise out of every rupee paid by the consumer (M. C. Munshi, 1957).

The next point of the survey is to investigate into whether the sellers of the market take the entire profits home. In other lucid words, it is attention-grabbing to work out the costs and margins of the sellers. It’s been shown for whole-salers and different kinds of retailers below:

Let us first have a look at the gross profits of different categories of fish vendors out of sale of one kg of fish:

Table 1: Gross profits of different categories of fish vendors out of sale of one kg of fish

Different categories of fish vendors	Whole-salers when they sell to other retailers	Whole-salers when they sell to final consumers	Large retailers	Small retailers	Vendors who sell on the foot-path	Vendors who sell in other regulated markets	Vendors who sell in other non-regulated markets	Fish hawkers
Selling price (in Rs.)	150	200	180	130	260	150	150	130
Buying price (in Rs.)	80	80	120	100	200	100	100	100
Gross profits (in Rs.)	70	120	60	30	60	50	50	30

Source: Field survey

Let us now look at a table depicting the costs of different categories of fish vendors. This has been done below:

Table 2: Expenditures of different categories of fish vendors (per kg of fish)

Items	Expenditures of different categories of fish vendors (per kg of fish)						
	Whole-salers	Large retailers	Small retailers	Vendors who sell on the foot-path	Vendors who sell in other regulated markets	Vendors who sell in other non-regulated markets	Fish hawkers
Commission to the committee	10	10	10	-	10	-	-
Expenditure on ice	15	15	-	15	15	15	-
Payment to the drivers (per vehicle)	10	5	-	10	-	-	-
Labor charges (per wholesaler)	10	-	-	-	-	-	-
Fare	-	-	-	-	7	7	-
Maintenance of cycle	-	-	-	-	-	-	5
Food items	-	-	-	-	-	-	7
Total expenditures of different categories of fish vendors	45	30	10	25	32	22	12

Source: Field survey

We can now easily calculate the net profit of different categories of fish vendors per kg of fishes:

Table 3: Net profits of fish vendors of Uzanbazar fish market

Different categories of fish vendors	Whole-salers when they sell to other retailers	Whole-salers when they sell to final consumers	Large retailers when they sell to final consumers	Small retailers when they sell to final consumers	Vendors who sell on the footpath when they sell to final consumers	Vendors who sell in other regulated markets when they sell to final consumers	Vendors who sell in other regulated markets when they sell to final consumers	Fish hawkers when they sell to final consumers
Net profits (Gross profits- Total expenditures)	25(=70-45)	75(=120-45)	30(=60-30)	20(=30-10)	35(=60-25)	18(=50-32)	28(=50-22)	18(=30-12)

Source: Field survey

We can come to conclusion about which marketing channel is the best by looking at the prices which the consumers have to pay while buying from different kinds of fish vendors.

When a fish vendor buys fishes at some price, he never set the price of his fishes at the same rate. His price to the final consumers naturally involves his incurred costs. So, these costs fall on the pockets of the buyers. Let us see when the consumers are at gain when they buy fishes from different types of vendors.

- A) When a consumer buys fishes from whole-salers, then they have to pay prices ranging between Rs.200 to 400 per kg, depending on types of and demand for fishes. This price involves the whole-saler's expenditures that he incur on commission, ice, payment to the drivers of vehicles, labor charges etc.
- B) However, when the buyer purchases from large retailers, who deal in large quantities of fishes but not as large as the whole-salers, in the Uzanbazar fish market, he has to pay Rs.180 to 240 or even more per kg, depending on the types of and demand for fishes. This price embraces the retailer's spending on commission, ice and payment to the drivers. However, Labor charges are not involved here because these retailers do not deal in large quantities of fishes and, therefore, they do not need to pay labor charges.
- C) Again when the buyer buys from small retailers, who deal in very small quantities of fishes, he has to pay Rs.110 to 130. With this price, he indirectly pays the commission to the committee which is inherent in the price. Nonetheless, it is important to consider the transportation of the consumers.
- D) When a buyer purchases from those who are buying fishes from other bank of the river and selling on the footpath outside the market premise, he pays Rs.280 to 300 per kg. Nevertheless, this price includes the retailer's transportation costs, expenditure on ice etc.The above deals may be considered gainful for those buyers who reside near the market area, or at least at some walkable distance from the bazaar. When the consumers residing far from the market are taken into consideration, their transportation cost to the market needs to be concerned about.

- E) When a buyer buys fishes from his nearby market, then it saves his transportation costs. As per the given information by the fish sellers, in other markets a buyer can get big fishes at Rs.270 to 300 per kg and small fishes at Rs.150 to 180 per kg. But, he/she may have to compromise with the freshness and, hence, with the taste of the fish.
- F) Again when a buyer purchases fishes from a fish hawkers at Rs.120 or 130 per kg, it saves his time to go to the market. But, the consumer may not get the fresh fishes and of his choice.

Therefore, from the above discussion, it could be concluded that a consumer, if not much interested in the freshness of the fishes, then he would go for buying from the nearby market and from hawkers. But, people always want to have the fresh fishes and that is why, they opt for buying from the Uzanbazar fish market by paying more. If seen from the perspective of a buyer, it would be profitable to buy from the retailers of Uzanbazar fish market.

As a peroration, we can mention that for big fish lovers, the channel which goes from dealers to large retailers within the Uzanbazar fish market and then to the final consumers seems to be more profitable. That is,

Dealers- Large retailers- Consumers

Yet again, for small fish lovers, the marketing channel from dealers to small retailers within the Uzanbazar fish market to the final consumers looks more comfortable on the pocket. That is,

Dealers- Small retailers- Consumers

These two marketing channels are more preferred because in these chains consumers do not have to compromise on the freshness and tastes of fishes.

Conclusion:

Whatever be the instance of existence, the Uzanbazar fish market has always provided the best- occupation and livelihood to the sellers, the best prices to the sellers, and the best quality fishes to the consumers at the best prices. The fish market has got something in its treasure box to offer to all its members- whether sellers or buyers. Like a mother it provides two time meal to the fish vendors. It has made them capable of earning their basic necessities in everyday life. It has also been quenching the thirst of the consumers of getting fishes of pre-eminent class. In this progression, the fish market of Uzanbazar ghat has not only managed to gratify the fondness of its very old consumers, but has been able to be a magnet for the new purchasers.

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