CHAPTER VI

THE INSTITUTIONAL AGENCIES AND MARINE FISH MARKETING IN KERALA

In Chapter IV it was made clear that the fish producer had only little control over the marketing of his produce. His share in the consumer price ranged between 54 and 70 per cent even though his labour alone created value. His direct control over the ultimate consumer of his produce was blocked all along. This reduced him to the position of a mere 'price taker', unlike the case of manufactured goods. He remained always exploited. So, it was imperative on the part of fishermen to assume control over the marketing of their produce. To achieve this objective many attempts were made from different quarters. In this chapter an evaluation is made on the efforts of fisherman to gain control over the marketing of his produce and discussed the need for a new marketing strategy.

The chain growth of middlemen in the fish trade has always remained detrimental to the interest of the fish producer. The fisher people are completely ignorant about the intricacies of fish markets and the price system followed in each market. They generally depend on the intermediaries for financial help and marketing of their catches. Since they belong to the weaker section of the society, their income is insufficient to make both ends meet. So they are forced to borrow incessantly from fish merchants or money lenders at prohibitive rate of interest. Thus fishermen live in the vicious circle of indebtedness, fostering
exploitation. To overcome these socio-economic problems, the ultimate solution, it is believed, is organising fishermen on co-operative basis.

In many countries like Japan, Italy, Norway, Denmark, etc. co-operative has played a leading role in the development of fisheries. In Canada, it was Fr. Coddy, a priest, who spearheaded to organise fishermen on co-operative basis. Though the fishery co-operative may differ in their nature from country to country, they have the common aim of improving economic conditions of fishermen and their activities are mainly confined to:

1. financial help to fisher folk,
2. supplying goods needed for business;
3. transporting, processing, storage and sale of their produces,
4. conservation of fishery resources,
5. providing infrastructural facilities at the landing and marketing centres,
6. management of fisheries and
7. promoting welfare activities.

Like in other parts of the world, the co-operative management of marine fisheries has been the matter of great concern for the rulers of Kerala also. The Government of Kerala has taken a number of pioneering measures including the establishment of marine fishermen co-operatives to improve the well-being of the fishermen. The following section gives a brief sketch of the present status of marine fishermen co-operatives in Kerala and examines their role in organising fishermen to gain control over the marketing of their produce.

**Growth of Marine Fishermen’s Co-operatives in Kerala**

Before the introduction of mechanisation in the fishery sector during the mid-fifties, fish production in Kerala was entirely carried out by the traditional sector and the
marketing was controlled by the middlemen drawn mainly from the fishermen community. It was upon them that the fishermen relied for their financial needs. The poor economic situation of fishermen and the perishable nature of their product limited their ability to control the market of their product for a better price. They have to sell their products at the price predetermined by the money lenders. As a result, the middlemen-cum-money lender enjoyed the monopoly power in the market. It led to the emergence of 'bonded' labour on a substantial scale. To ease this situation, the Kerala State came to the rescue of the fisher people by organising them in to producer and credit co-operatives.

Fishermen co-operatives were in existence even before the formation of Kerala State in 1956. The princely State of Travancore-Cochin had already started the working of fishermen co-operatives in 1917. There were 95 fishermen co-operatives by 1935. But the movement had to face stiff opposition from the fish merchants. Such resistance was occasionally countered by the fishermen themselves as in Aroor in Kerala. However, these societies actually failed to protect the fishermen from the depredations of middlemen and money lenders.

In the beginning, two types of co-operatives were organised at the base level; (1) the credit societies and (2) the producer societies. The former concentrated in providing short term loans and craft and gear to its members and marketing their catches. The latter was called Matsya Utpadak Co-operatives (MUSC) or fish producer’s co-operatives. In 1963, there were 326 registered co-operatives in Kerala, out of which 182 were credit societies with a paid-up share capital of Rs.7/- lakhs and they had a total membership of 35,000. The remaining included 138 producer co-operatives with a paid-up capital of Rs.2 lakh and 30,000 members and 6 marketing co-operative societies. A systematic evaluation of the working of these societies is not possible because of the paucity of data. But the general impression is that their
presence had only marginal impact on the fish economy of Kerala, because the value of their transactions was insignificant.

The following table gives us the growth of the fishery co-operatives in Kerala from 1963 to 1976.

**Table - 6.1**  
Fishery Co-operatives in Kerala, 1963-76  
(Membership in '00 and share capital in Rs. '000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of boat issued</th>
<th>Producer's Societies</th>
<th>Credit Societies</th>
<th>Marketing Societies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1963</td>
<td>NA</td>
<td>138</td>
<td>300</td>
<td>200</td>
<td>182</td>
</tr>
<tr>
<td>1966-67</td>
<td>275</td>
<td>312</td>
<td>348</td>
<td>279</td>
<td>194</td>
</tr>
<tr>
<td>1968-69</td>
<td>541</td>
<td>623</td>
<td>590</td>
<td>759</td>
<td>194</td>
</tr>
<tr>
<td>1970-71</td>
<td>614</td>
<td>790</td>
<td>686</td>
<td>2021</td>
<td>193</td>
</tr>
<tr>
<td>1972-73</td>
<td>NA</td>
<td>837</td>
<td>720</td>
<td>2125</td>
<td>189</td>
</tr>
<tr>
<td>1973-74</td>
<td>805</td>
<td>849</td>
<td>719</td>
<td>2129</td>
<td>189</td>
</tr>
<tr>
<td>31.3.1976</td>
<td>805</td>
<td>728</td>
<td>646</td>
<td>2029</td>
<td>153</td>
</tr>
</tbody>
</table>


The initiation of mechanisation in the fishery sector had caused great change in the number and character of fishery co-operatives in Kerala. It led to a heavy rush for the registration of producer's co-operatives after 1963. The table 6.1 indicates that in 1966-67 its number stood at 312 instead of 138. In 1966-67, the number of mechanised boats issued was 257 and it rose to 614 and 805 in 1970-71 and 1973-74, respectively. The number of producers co-operatives was 138. It went up to 790 in 1970-71 and 849 in 1973-74. These
periods witnessed not only changes in the number of co-operative societies, but also in the character of the producers co-operative societies. From 1963 onwards almost all the existing producer's co-operative societies actively participated in the mechanisation processes by acquiring mechanised boats. Prior to this period, they were mainly engaged in procuring the craft and gears required for traditional fishing. There was also an increase in marketing societies both in the volume of produce handled and number. In 1963 the number of marketing societies was only 6 and it increased to 18 in 1972-73. In spite of the changes in the number and nature of business, most of the societies were not functioning well and they were in mismanagement. To control this, the State Government imposed many measures such as; (1) restrictions on the supply of boats and compulsory registration of societies; (2) withdrawal of subsidies on the capital cost of boat and on diesel oil; (3) new applicants were required to deposit 25 per cent of the cost of boat in advance, and (4) the construction and supply of boats were suspended in 1973-74. As a result of these measures, the growth of the societies stagnated and their number started declining as the process of liquidation set in from 1975-76.

Along with the restrictions, the State Government implemented certain positive steps to improve the situation. With a view to highlighting the problems affecting the fishermen's co-operatives in Kerala, many regional seminars were organised in 1971-72 with the participation of the representatives of fishery co-operatives, trade unions, co-operative banks and officials. These regional seminars could give constructive recommendations for tackling the problems of the co-operatives. Important among them were: eliminate non-fishermen from the fishermen's co-operatives; revitalise existing societies; stop new registration of societies; give co-operative training to all fishermen; liquidate pocket and dormant societies, extend assistance and incentive for the operation of indigenous craft;
resume salt subsidy and to appoint a study group to go through the problems of fishermen and suggest remedial measures.⁸

In 1975, the Government of Kerala appointed an official committee (Resuscitative committee on fishery co-op.) to suggest measures to overcome various problems of this sector. In its investigation the Resuscitative Committee could bring out the basic reasons for the poor performance of the fisherman’s co-operatives. The chief reasons cited by the Committee were: mushroom growth of producer’s co-operative society; inefficient management of activities of the societies, insufficient departmental control over the issues and operations of boats, sanctioning of schemes without any project report or feasibility study; failure to provide adequate working capital; and insufficient staff.⁹ The committee found that nearly half of the societies were dormant and only 27 per cent had valid boards of management. All the societies were running in heavy losses, except the marketing societies and few credit societies. This was because the marketing societies made profit mainly from the sale of the fishery requisites rather than the sale of fish and the credit societies earn from the interest on loan. The committee concluded that “..........the Primary Societies ie., credit society and producer’s societies functioning at the base level have miserably failed to tackle the needs of fishermen”¹⁰. The committee was not in favour of continuance of the these societies and suggested the organising of new societies at the base level.

In spite of the failure of the fishery co-operatives, the Master Plan for fisheries development of Kerala, 1969, also suggested that co-operative organisation was the most suitable agency for carrying out the various development activities of the fishing industry in Kerala. It observed:

(1) the role of fishermen was confined to the actual process of fishing only,
(2) fishermen hold little control over the subsequent activities of
processing and
marketing of their produce,

(3) the middlemen enjoyed a more or less monopolistic control over the
fish trade.

(4) the working of the fishery co-operatives in the past had only touched
the fring of the problems.\textsuperscript{11}

Hence it is imperative to strengthen and expand the co-operative sector of the
fishing industry with a view to providing protection to fishermen community from the
exploitation of the middlemen. Thus the Master Plan recommended to start;

(1) 4050 fishermen producer co-operative societies,

(2) Regional Marketing Societies,

(3) strengthening of Apex Society at the State level,

(4) setting up of fishery bank at important centres and,

(5) Fishermen Welfare Societies.\textsuperscript{12}

Following the recommendations of the Master Plan on its merits, Kerala, perhaps
was the first State in India to have recognised the need for organising fishermen co-operatives
to improve the socio-economic conditions of the fisher people and to enact a legislation,
namely, Kerala Welfare Societies Act in 1980. The Act provided constitution of Fishermen
Welfare Societies (FWS) and initiation of development and Welfare Programmes exclusively
for fisher people. Consequently, 222 FWS were organised in 1980. Various Welfare measures
like accident insurance, old age pension, compensation for damages and death, housing,
educational benefit etc. were taken up. Along with these, measures were also taken to impart
better technology to enhance production. Various public agencies like the Harbour
Engineering, the Kerala Fisheries Corporation and the Kerala Fishermen Welfare Corporation, had come into existence. The programmes like mechanisation, creation of infrastructure facilities like fishing harbours, fish landing centres, provisions of other facilities like beach roads, ice, storage etc. were implemented vigorously. In spite of all these efforts, the overall situation, especially production relation, credit and marketing structure, hesitated to change drastically. It called for an all together different approach with the actual involvement of the fishermen. The need for institutional credit was also strongly felt, rather than depending on State Government. To accommodate all the needs of the time, in 1984 MATSYAFED (Kerala State Co-operative Federation for Fisheries Development Ltd.) was conceived of. It is a professionally managed federation of fisheries co-operatives. This apex federation is meant to control the activities of the primary societies. It aimed to provide financial and management inputs to them and to evolve them to a level of self sustenance over a period of time, till they are viable. The main objectives of the MATSYAFED are:

(1) to improve the economic and living conditions of fisherfolk by organising them so as to increase their control over their produce,

(2) increase production of fish from comparatively un-exploited areas by extending mechanisation efforts,

(3) evolve a market mechanism capable of ensuring the producer's interest conducive to the enhancement of production and satisfy consumers needs and

(4) administering programmes to provide basic amenities and supporting facilities for fishermen.13
In order to materialise the aforesaid objectives, *Matsyafed* implemented many programmes. Its achievements could ease the life of fisherfolk. An assessment of its efforts in the development of the fisheries sector in Kerala is given below.

*Matsyafed* is acting as the catalyst in the development process. To increase productivity, through fishermen primary co-operatives, it helped the traditional fishermen to own motorised canoes and sophisticated nylon-nets suited for fishing in different seasons round the year. It could organise fishermen by setting up primary fishermen co-operatives which have come to 292 in number in 1994-95 with a membership of 1,22,089. One of the major reasons for the decline in productivity in the traditional sector is the non-availability of modern fishing technology. *Matsyafed* realises that the asset position of the fishermen cannot be improved by mere financial help. With this in mind, a massive input distribution plan is developed to make available fishing gear, craft and out-board motor (OBM) or spare parts, to fishermen at reasonable prices. In 1994-95, *Matsyafed* imported 2200 Japan made Suzuki OBM engines and distributed them among fishermen along with 65 Yamaha OBM engines. Spares worth of Rs.622.83 lakhs were imported to repair the OBM engines in the 13 OBM engine workshops. This sort of activities help the traditional fishermen to get original spares at fair prices and get the engine repaired at moderate rates. *Matsyafed* also gives training to younger fisherfolk in OBM engine repair.

To supply high quality nylon-nets to the fishermen, two net manufacturing unit were started by the *Matsyafed*. A major chunk of the demand for fishing nets in Kerala is met through them. With better production technique, bulk-buying of raw materials and service-orientation, a stage has been reached where the best fishing nets in the country are manufactured by *Matsyafed*. Today, these nets are distributed to traditional fishermen at highly competitive prices. To supply fishing inputs through out Kerala, *Matsyafed* has set up a chain
of ‘Vyasa’ stores in all the marine districts. Just like the supply of fishing nets, deep sea fishing is another successful project of *Matsyafed*. It acquired four deep sea trawlers and now there are operating off Visakapattanam coast. For the betterment of fishermen, an integrated approach is conceptualised by the *Matsyafed*, by linking up production, processing and marketing in a close-knit net-work where fishermen could take decisions. To help the fisherwomen to reach market in time with their fish, *Matsyafed* runs a fleet of nine buses (‘Vanitha’ buses) in eight routes in districts like Ernakulam, Alleppey and Trivandrum, to pick up fisherwomen and take them to different urban colonies for retail sales and return them back home. Social commitment is the only factor which inspires the authorities to continue these services, even at the risk of loss. (See Table 6.2.) The income and expenditure of the bus service for the *Matsyafed* in 1993-95 is given in Table 6.2.

<table>
<thead>
<tr>
<th>Table 6.2</th>
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<tbody>
<tr>
<td><strong>Income and Expenditure of ‘Vanitha’ bus service- 1994-95</strong></td>
</tr>
<tr>
<td><em>(Rs. in Lakhs)</em></td>
</tr>
<tr>
<td><strong>Particulars</strong></td>
</tr>
<tr>
<td>Income</td>
</tr>
<tr>
<td>Expenditure</td>
</tr>
<tr>
<td>Expenditure over Income</td>
</tr>
</tbody>
</table>


*Matsyafed* has also provided working capital to a large number of fisherwomen vendors. In 1994-95, 1053 fisherwomen vendors were given financial help of Rs.1.62 lakhs. Employment in peeling sheds and income generation activities through the production centres for value-added products, are additional sources of income to this group.

A study of Futuristic Group indicated that by the year 2000 AD, 70 per cent of food consumed by man would come from oceanic resources. *Matsyafed* is forging ahead,
creating new markets and distribution systems to realise that prediction. It has entered the field of processing and marketing fish and value-added fish products; fish pickles, Mackerel, Tuna, Sardines, Shrimps and various other delectable fish products. These products are sold under the brand name *NUTRIFISH*. Though these products find smooth movement in metropolitan cities, but in high range areas of Kerala they have no considerable customer attraction. Hence in this field *Matsyafed* has not scored much success so far.

By regulating wholesale markets, controlling the primary sales, setting up of marketing groups and organising alternative channels for marketing, *Matsyafed* is attempting to have an effective intervention in internal marketing. It has developed its own retail networks such as; (1) mobile vans in all major centres, which serve hot, ready made fish items and *NUTRIFISH* product range, (2) three-wheelers and bicycles are supplied through primary fishery co-operatives for retailing products in towns and rural areas, (3) retail agents are appointed to sell fish products, (4) appointed licensed women fish vendors for selling fish in the urban colonies in major cities through fish stalls of *Matsyafed*, and (5) a cold chain plan, as the one follows in Karnataka, is also initiated in Kerala.

In this way a new sense of discipline and direction in marketing of fish is taking shape. But all these programmes are only in their infancy and hence not attained a definite stage for an economic analysis.

To free the traditional fisherman from the clutches of money lenders, the *Matsyafed* has organised auction of the produce of its beneficiaries. Presently the fishermen are forced to pay an auction commission varying from 10 to 15 per cent depending on the levels of indebtedness and the strength of the intermediaries. Under the new scheme propounded by the *Matsyafed*, the beneficiary groups have to market their products through auctioneers engaged by the *Matsyafed*. One per cent of the auction value goes to the auctioneer and 4 per cent to
Matsyafed for taking up economic activities for the members. Of the total fish value, around 60 per cent is paid to the fishermen immediately and the balance is credited to the joint bank account of the group with the fisheries officer of the respective fishing villages. Recoveries of the loan portion of the investment and the emerging requirements of the funds by the fishermen are met from this account. This sort of auction system could provide a higher share of consumer rupee to fishermen (Refer Chapter IV). In 1994-95, Matsyafed could auction 6743.69 metric tonnes of fish worth Rs.14022.14 lakhs, and the auction commission received by the Matsyafed was Rs.21.25 lakhs. Along with the auction, daily monitoring reports on catches, species composition, value, expenses and savings from each group are being sent from project villages to the District offices of the Matsyafed. It is claimed that, through the effective marketing intervention, Matsyafed could eliminate the 10 per cent loss of value due to underpricing.17

For the development of the fishery sector, the Matsyafed had prepared a detailed action plan known as Integrated Fisheries Project (IFP) to be implemented in a phased manner over a period of six years and submitted it to National Co-operative Development Corporation (NCDC) in 1984. This plan is aimed to change the strategy pursued in the fisheries sector. It adopted an integrated approach to development encompassing the entire gamut of activities starting from production to marketing. It also attempted to build up a new organisation structures which would help the actual fishermen in activities meant for their own benefit and to improve their income. The main objectives the IFP are:

(1) enhancing the production of fish in the traditional marine sector,

(2) ensuring a large share of market value of fish to the producer through the structural changes in the marketing system, and

(3) improving the life of the fishermen by providing the basic amenities,18
For the successful compliance of the above objectives, the project would (1) organise 90 village societies in the three districts during a period of 4 to 5 years, (2) provide the basic infrastructure facilities meant for better landing, handling and marketing of fish in the selected villages, (3) distribute inputs like craft and gear and maintain them through service centres, and (4) continue the welfare programmes implemented by the Welfare Corporation.

The NCDC gave sanction to the action plan and the IFP has been implementing in Kerala in Phase I, II and III by the Matsuafed, with the financial outlay of Rs.5.5 crores, Rs.11.87 crores and Rs.2.45 crores respectively. The first phase started in 1985-86 and ended in 1990-91. The second phase started in 1986-87 ended in 1991-92 and for the third phase, sanction was given in 1993-94. The Matsuafed's main tasks is to bring the fishermen in selected villages under a well knit organisational frame-work. For this purpose, active fishermen in each villages have been identified from the group of fishermen working in the different fishing craft on some contractual agreement. These groups are to be organised into different primary co-operatives consisting of 60 to 100 members. It is through the primary co-operative societies, IFP is being implemented. As per 1995, March 31, the total membership of the fishermen Primary Co-operatives Societies are 1,22,089.

While the First Phase of the IFP was completed in 1990, of Rs.555.84 lakhs, Rs.406.04 lakhs spent for the implementation of various schemes. During this phase, 819 OBM engines, 395 boats and 64.70 metric tonne net were supplied to the fishermen through the co-operatives and 4577 fishermen received direct benefit from the various schemes under this phase. In the II Phase 281 OBM engines, 108 boats, 45.57 metric tonnes net and Rs.218.82 lakhs worth of fishing implements were distributed to the fishermen of Trivandrum, Quilon, Alleppey, Trichur, Malappuram and Calicut. The third phase is implementing at present and
its total outlay is Rs.3560/- lakhs. Under the third phase, so far Rs.1979.18 lakhs spent on various schemes.

The foregoing analysis thus shows that *Matsyafed* has spearheaded many programmes for fishermen's welfare. But one can review its achievement only with scepticism. It is an agency of Government, which is being politically controlled and administered by government officials. Hence this agency is also subjected to the defects of modern administration. The actual fisherman has no control over any area of its working. All activities of the *Matsyafed* are officially decided and managed and the decision makers have no touch with the life and problems of actual fishermen. The inefficiency of its working is very clear from the estimate of its accumulated loss given in Table 6.3.

<table>
<thead>
<tr>
<th>Year</th>
<th>Accumulated loss (Rs. in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-85</td>
<td>5.10</td>
</tr>
<tr>
<td>1985-86</td>
<td>4.68</td>
</tr>
<tr>
<td>1986-87</td>
<td>25.64</td>
</tr>
<tr>
<td>1987-88</td>
<td>38.57</td>
</tr>
<tr>
<td>1988-89</td>
<td>41.57</td>
</tr>
<tr>
<td>1989-90</td>
<td>31.87</td>
</tr>
<tr>
<td>1991-92</td>
<td>*</td>
</tr>
<tr>
<td>1992-93</td>
<td>*</td>
</tr>
<tr>
<td>1993-94</td>
<td>6.11</td>
</tr>
<tr>
<td>1994-95</td>
<td>0.47</td>
</tr>
</tbody>
</table>

* Figures are not available.


The table 6.3 shows that the *Matsyafed* is running in loss continuously, though the magnitude of loss has decreased recently. Starting with Rs.5.10 lakhs in 1984-85, its loss has reached Rs.41.57 lakhs in 1988-89 and in 1994 its loss is reduced to Rs.0.74 lakhs and this is a
welcome change. But one has to doubt about the future of such an institution in the promotion of fishermen’s welfare, which is destined to make loss since its inception.

Along the Governmental organisation, non-governmental organisation also in action to improve the economic conditions of fishermen in Kerala. The South Indian Federation of Fishermen Societies (SIFFS) is such a kind of organisation working in Kerala. It is an apex organisation just like *Matsyafed*, which is engaged in organising and assisting fishermen co-operatives in the State. It is registered under the Travancore-Cochin Literary, Scientific and Charitable Societies Act XII of 1955. Its main objectives are:

1. organise fishermen into co-operative societies,
2. facilitate the marketing of fish collected by its member societies,
3. assist member societies with funds in the form of loan and grants.
4. establish and run manufacturing units for fishing crafts and gear, processing units of fish and fish products and,
5. undertake export, import and other activities in the interest of its member societies.

The operational jurisdiction of SIFFS extends to Kerala, Tamil Nadu, Andhra Pradesh and Karnataka. At present in Kerala, its activities are confined to Trivandrum and Quilon district only. It serves as an apex organisation of fishermen co-operatives in three-tier co-operative structure having District Fisheries Federation at the middle level and primary fishermen co-operatives at the village level. As on 1992, 50 primary fishermen co-operatives were affiliated to it with total 6000 members. Like *Matsyafed*, SIFFS also involved in organising and educating fishermen and developing and trying new fishing craft and gear. A lot of unnecessary duplication of services exist between these two apex organisations, which can be avoided through the co-ordination of their activities.
Need for a Marketing Strategy

The foregoing analysis has made it clear that the fishermen co-operatives have done precious little to help their members to get remunerative prices for their catch, failed to liberate them from the clutches of the money lenders and regulate price fluctuations. It is noticed that due to the urgent need for money only a small part of their catch was sold through the co-operatives.23 There have been instances of the beneficiaries of the co-operatives and the auctioneers colluding into report a lower auction value, of effecting partial sale of fish at high seas and the like, with a view to minimising loan repayment. Even though the co-operatives help its members with low interest loans, give subsidies, and provide social security measures, yet full benefit from them has not reached the truly needy. Though some people have got out of the poverty trap with this assistance, in general, most of the fishermen are finding it difficult to survive with the escalating prices of consumer durables and galloping operation cost of fishing. Hence an integrated and responsive delivery mechanism is required to ensure that the urgent needs of the fishermen such as credit and marketing of his product are met. The exorbitantly high rate of interest, preponderance of informal credit system,24 dependence on informal trade channels for both inputs and output and absence of any comprehensive organisational systems with the real involvement of fishermen suggest that there are serious lacunae in meeting these needs. The fish prices in Kerala are even better than those in the international markets. But there is no stability in prices. It is often being influenced by the fluctuations in the international markets and markets of the neighbouring states. Attempts made for developing a ready internal market for the value-added products have met with failure.25 Whatever be the programmes chalked out and implemented for the progress of fishermen, they have had little impact on the beneficiaries due to the structural imbalance in
both production and marketing. To remove this, there is the need for a system approach. From the very beginning of the fisheries development of Kerala, there followed a production-oriented and output-oriented approach. But they have only limited relevance in the Kerala context. The agencies who are mandated to attain the objectives of these approaches have gained only partial success. Hence, it is imperative to have a fresh look at the existing approaches to optimise production and return to fishermen for which the following strategy is proposed.

The fish production and distribution are the two main components of fish marketing. In order to assure fair returns for the fish producer, a co-ordination between these two is essential. One should take into consideration both production system and distribution system simultaneously. In the production system, emphasis should be given to the producer and activities confined to optimising fishing efforts, planned investments, cost reduction, realising economies of scale and ensuring availability of credit for various needs and enhancing holding capacity of the producer. The distribution system is related to the aggregation of physical flows to meet the requirements of the particular markets. Its main aim should be to gain control over catches by the primary co-operatives of actual fishermen by performing the entire functions done by the middlemen at present. The nature of activities at this stage can be grouped into; (i) primary marketing, (ii) marketing controls, (iii) direct marketing and (iv) marketing support.

The primary marketing should be carried out within the purview of primary co-operatives. It must establish its sway over the first sale in order to eliminate the middlemen from the field. It must undertake the activities such as pooling, sorting and management of surplus produce and finally organise beach level auctions for the fish producer. In this way the beach market can be brought under the control of the fishermen.
For an efficient fish marketing a proper link between the primary markets and the wholesale market is essential. For this, initially co-ordination should be maintained in between landing centres, so that the elements of imperfections can be removed to a greater extent. The primary co-operatives can do this. With this, the marketing controls will automatically come into its power. When co-ordination between the landing centres is effected, the primary societies can set up a direct link with the wholesale markets of different regions. Through this process the market power of middlemen such as the commission agents-cum-wholesaler and wholesalers can be eliminated from the fish distribution channel. With the proper co-ordination between the different landing centres and wholesale markets, the primary co-operatives can regulate the movement of fish between centres and also monitor the price and its variation. It will help to direct the physical flow of fish to the centres where the product can fetch better prices. All these are related to the activities of marketing controls. The proper monitoring of the fish price can also help to give proper direction to the fish producers for the supply of physical output, so that they can adjust the supply of fishes in accordance with the market requirements. At present, due to the ignorance of the market conditions, the producers exploiting the common property resources, like fish, indiscriminately. The glut of fish in the markets results in zero demand and waste of valuable resources.

The proper marketing controls will make room for direct sale of the produce of the fishermen to the retailers, vendors, processors and traders, either in the fresh form or in value added products. In the present market structure, direct sale remains a rare phenomenon, hence the fish producers are subjected to greater exploitation. The effort of direct sale by the primary societies will stop this. Care should be taken to supply high quality fish that can command always a better price. The schematic representation of the aforesaid marketing strategy is given in fig. 6.1.
Fig. 6.1.

The Proposed Marketing System

- Marine Sector
  - Fishermen
  - Primary Co-operatives
  - Primary Markets
    - Auctions
    - Wholesale Market
      - Traders
      - Retailer
      - Processors and Exporters
      - Vendors
  - Consumers
For a successful marketing venture, proper and timely marketing support are a *sine qua non*. It can be given to the primary societies with the provisions of credit and infrastructure facilities for storage and surplus management. Support will be given to the fishermen also with provision of inputs, off-season advance and kerosene through primary cooperatives. Without such integrated support system, the fish producer will remain at the mercy of the marketing intermediaries. The ultimate aim of these links is the elimination of the imperfect nature of the present internal fresh fish market and thereby making it producer-controlled and a benevolent one.

Thus the proposed fish marketing strategy calls for an integrated approach of production system and distribution system. This approach does not aim at doing away with any of all intermediaries at one stroke, rather it aims at supplementing and supporting the present system as their drawbacks can only aggravate the exploitation of fishermen.
Notes and Reference


6. K.G. Kumar, op.cit.


8. Ibid.


10. Ibid.


12. Ibid.


16. The Karnataka Fisheries Development Corporation (KFDC) which was established in 1971 is pioneer in introducing 'cold chain'. It is the institutional set up organised by KFDC for the distribution and sale of frozen fish products throughout the country.

17. An Integrated Fisheries Project, op.cit.


19. Ibid.

20. Ibid.