CHAPTER VII

FISH MARKETING IN ANDHRA PRADEH AND KERALA

This Chapter presents an account of the internal marketing system of marine fresh fish in Andhra Pradesh, one among the leading maritime states of the East Coast of Indian Union and compares it with the structure and pattern of internal fish marketing system of Kerala, an important marine state of the South- West Coast of India. The account is given in three sections: the first section deals with the general description of the fish economy of Andhra Pradesh, the second section examines the structure and pattern of the internal fish distribution system of the State and the third section compares the marketing system of Andhra Pradesh with that of Kerala.

Section I

Fish Economy of Andhra Pradesh

Like Kerala, Andhra Pradesh occupies an important position in the fishing sector of India. The State has the longest coastline (982 kms.) spread over eight marine districts next to Gujarat. Andhra Pradesh has the highest number of fishermen villages (408) in the East Coast. It occupies second and third position in the size of fishermen population and number of fish craft and gear respectively. It ranks sixth in fish production. These statistics show the premier position held by Andhra Pradesh in the fishing sector of the country.

The fishermen population of Andhra Pradesh is estimated as 6 lakhs. Out of this, the marine fishermen population is about 3.30 lakhs of which adults and female forms 30 per cent. There are about 77,000 fishermen families in the State. East Godavari District ranks first with 28 per cent of the fishermen families, followed by Srikakulam District (26 per cent) and Visakapatnam District (16 per cent). Further, there are about 84,000 fishermen engaged in
actual fishing in the nine Maritime districts of the state. Andhra Pradesh is an important fish producing state of the country. The total fish production in the state increased from 1,37,000 in 1961 to 2,45,000 tonnes in 1991. The percentage increase during this period is 78.83. This change in the total fish production of Andhra Pradesh is assessed as the impact of mechanisation of the fishery sector of the State. But the proportion of the State's production in relation to the country's total production decreased from 14.26 per cent in 1961 to 6.46 per cent in 1991.

The fish resource potential in Andhra Pradesh is estimated about 2.92 lakh tonnes per annum. The average annual landing of marine fish is about 1.21 lakh tonnes. Of the total quantum of fish resource potential, the availability of fish at demersal is very high, followed by mid-water and pelagic. It is interesting to note that the percentage exploitation of fish resource potential of the state is very low, ie. 26.27 per cent. Only crustaceans are exploited at a high level, ie. about 57.89 per cent. Hence there is ample scope to increase the fish production from all the sources. Besides marine production, inland fisheries have abundant resources potential and there is considerable scope to develop this sector also. The State has big lakes like the fresh water lake at Kolleru and the brackish water lake at Pulicat and rivers like the Godavari and the Krishna. Further, these rivers have large canal net-works and reservoirs. A proper exploitation of these resources can increase the fish production of the state to a considerable extent.

Fish in one form or the other, has been used in the state as a part of human diet since pre-historic times. At present, a major portion of the total fish production is consumed in the state itself and a relatively small quantity is exported to other states in the country and also to foreign countries. It is noteworthy that between 1986-1990 the state's exports did not increase in proportionate to the country's fish exports. Consequently, the percentage of the
state compared with the country's total exports decreased from 5.70 per cent to 3.06 per cent. A similar trend is found in the total value of exports also. The quantum of fish exports of Andhra Pradesh has increased from 1443 tonnes in 1976 to 5261 tonnes in 1990. The percentage of fish exports of Andhra Pradesh compared with the export of the country as a whole increased from 2.32 percent in 1976 to 3.06 per cent in 1990. Similarly, the value of total fish exports of the state increased from Rs. 8 crore in 1977 to Rs. 60.52 crore in 1990.

According to the estimates of National Commission on Agriculture, 80 per cent of the total population of Andhra Pradesh are fish and meat eaters. This varies between about 35 in Gujarat and 95 in Assam and West Bengal, with an all India average of about 70. The per-capita consumption of fish in India is 3.5 kg. per annum. For various states, it is 4.7 kg. in Andhra Pradesh, 21.58 kg. in Kerala, 17.74 Kg. in Gujarat, 9.63 kg. in Tamil Nadu, 8.72 kg. in Maharashtra and 5.82 kg. in West Bengal. The above data indicates that though the level of fish consumption in Andhra Pradesh is slightly higher than the national average, it is very low compared to some of the states mentioned above. Although productive capacity might still be one of the factors limiting increase in consumption, other considerations should not be overlooked. The deficiencies in preservation, storage, transport and distribution facilities also restrict the production levels as well as the mobilisation of fish to rural and distant areas. Supplies of fresh fish, the generally preferred form of consumption, are thus confined essentially to coastal areas in the case of marine species and to places closer to the point of production in the case of inland water fish. In the interior parts of the state, fresh fish is a luxury even for the middle class people and sun-dried or cured or even chilled fish is not popular with the majority of the consumers. The demand for fish in the state depends on a number of factors such as customs, religion and prejudice. Taking the state as a whole, Brahmins, Vysyas and certain sections of caste Hindus totally reject fish as food. Even other
religious groups like Christians, Muslims and some Hindus do not prefer fish on certain days in a week. The levels of income of the consumers, price of fish, competition from other food stuffs and consumer's preference also influence the demand for fish. Besides, the seasonal changes of the weather influence essentially the demand for fish. The demand is smaller in summer than in winter mostly for reasons of poor quality and poor flavour of fish and health grounds. 

The seasonal changes affect the fish supply in the state. There is peak, normal and lean seasons. The maximum fish catch is obtained during the peak season that lasts four to five months from November to February. The normal season is mostly March to May and the lean season is during June to October. It is during this period that the fishermen face the problem of acute unemployment. They resort to excessive borrowing of money to meet their living expenditures. This adds to the burden of their debt. The meagre earnings they get during the peak season are used either for repayment of debt or for household consumption purposes.

Group fishing is the chief form of production in Andhra Pradesh. It is, locally known as *Samudrapu Pedda Ilavala*. Since production is a pre-requisite of marketing, a brief account is given below to understand the form of production in the state.

In group fishing the quantum of fish production is depending on the means of production used viz., craft and gear. Different types of them are used for different fishing methods. Fishing craft used are of mechanised or non-mechanised types. While the non-mechanised crafts are primitive and conventional country type, the mechanised boats are the improvements over them and specialised introductions. The common non-mechanised crafts used by the fishermen of Andhra Pradesh are the catamarans, masula or stitched boat, kakinada nava, shoe dhonic, dug-out canoe and coracle. There are a number of different types of
traditional fishing nets, indigenously developed by the fishermen, are in use exploiting different types of fisheries in Andhra Pradesh. The important among them are, the gill and drifts nets, shore seines, boat seines, cast nets and hooks and lines.

According to the type of group fishing, the number of members in the working unit varies. Usually for the operation of big boats and nets, the working unit consists of as many as 25 to 30 workers. For smaller boats, 2 to 4 workers engage in its operation. If a family comprises more than four to five adults male members, the extra man power is used as tenants in other fishing units, where the required man power to operate the big boats and nets require the involvement of a large number of workers. Depending on their relationship with the owner of the big boat or net, the members are drawn from the different households. The workers have the freedom to invest in craft and gear. In accordance to their level of investment they will get the share of total catch. In group fishing, the total catch is divided into three shares. Those workers who invest in craft and gear will get 1/3 share. The 1/3 share will be taken by the owner or money lender and the remaining 1/3 is equally shared by the remaining workers.

Fish being the most perishable commodity, needs to be processed when it is caught. Up to early seventies the fish processing in the state was mainly confined to curing and sun drying. As a result of it, the consumption of marine fish in fresh form was restricted to a narrow coastal belt near producing centres. Later the processing of fish in the state by refrigeration, i.e., cold treatment carried mainly in two ways viz. chilling and icing. It ensures high nutritive value in product, entails less waste due to weather and promote wider markets. Sun drying and curing are traditional methods of fish processing in Andhra Pradesh. Curing includes salting, smoking and pickling. Salting is the most important method of processing. The varieties of fish that are sun-dried or cured include Sardines, Ribbon fish or Pink perches,
Sharks and Anchovies. Freezing and canning techniques overcome the perishability problem of fish. Both in India and Andhra Pradesh, freezing of fish confined to the exports only.

Proper transportation system helps to stabilise the supply of fish. It can also stabilise the prices at consuming and producing centres and cater to wider range of fish markets and minimise wastage. In Andhra Pradesh different modes of transportation system are used. For covering small distances, fish is carried either on head or cycles. Cycle rickshaws are also used for transporting fish from the producing centre to the railway station and from the railway station to the fish market or to the exporting centres. Fish merchants use lorries also for the movement of fish. Fresh fish is mostly transported on cycles or in trains for marketing. Water ways are also occasionally used for transporting fish. In addition to these, city buses are also used by the fish traders. The charges to carry fish differ from market to market and place to place. City bus is the cheaper mode of transport, but authorities are often reluctant to allow the traders to use this opportunity as it causes much inconvenience to passengers.

In Andhra Pradesh, fish is used in different forms such as fresh fish, frozen fish, canned fish, cured fish and reduction of fish. These forms can be classified into two broad groups viz., food use and non-food use. The food use can be further sub-classified into fish for domestic use and export. On an average, 44 per cent of the total landings of fresh fish is used for domestic consumption, 39.3 per cent for dry edible, 8.9 per cent for dry fishmeal and 7.8 per cent for exports.16

At the landing centre, the fresh fish are assembled and sorted out by fishermen's group leaders. Fish is sorted out by species and size-wise, kept in bamboo baskets and sold to the traders, generally through auction. It is a usual practice that those traders who advanced
money to the fishermen, take away the catch immediately after landing, at a price lesser than the market rate, and transported it to wholesale and retail markets.

Section -- II

Fish Marketing and Distribution in Andhra Pradesh

In Andhra Pradesh two types of domestic fish markets are seen; (a) fresh fish markets and (b) dry fish markets. This two types of market exist-both in producing and consuming centres. Majority of the fish markets in the state are integral parts of vegetable and meat markets. Very often these markets owned by local authorities. But most of the markets are devoid of minimum facilities for buyers and sellers of fish.

Andhra Pradesh is subjected to wide variation in fish production. In a situation of uncertain fish supply, the channels of distribution play a vital role in marketing. In its structure, it varies widely from place to place in Andhra Pradesh. This study presents the most common pattern of fish marketing channels seen in the state. Four alternative channels of marine fresh fish distributions are prevailing in Andhra Pradesh. They are:

1. Fish Producer ——> Retailers ——> Consumers.

2. Fish Producer ——> Commission Agents (Sales) ——> Retailers ——> Consumers.

3. Fish Producer ——> Commission Agents (Purchase) ——>

   Wholesalers ——> Retailers ——> Consumers.

4. Fish Producer ——> Wholesalers ——> Commission Agents(Sales) ——>

   Retailers ——> Consumers.
Among these channels, the first three are for distribution in local and nearby places and the last one is for out station consuming centres. The alternative channels of distribution of marine fresh fish is presented in chart 8.1.

**Chart -- 8.1**

**Procurement and Marketing Channels of Marine Fresh Fish**

_in Andhra Pradesh_

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The chart 8.1 reveals that the fish marketing of marine fresh fish in Andhra Pradesh is carried broadly in two ways: (1) direct sale and (2) through intermediaries. The direct sale of fish is a common form of fish distribution in the state. It is the traditional form of fish distribution in which the fishermen have complete sway over his produce. Hence his return from the sale is high when compared with the return of the distribution channels, where the involvement of middlemen is necessary. The fishermen used to market his produce either through his wife or though close relatives especially women. They play a crucial role in this distribution system. They sell fish to consumers at their door-steps or village market. They are locally known as Mara Kathe. There is another category of fisherwomen called Bera Kathe, who specialise mainly in fish marketing. They buy fish from Mara Kathe and sell it to consumers in the urban markets at higher prices. This traditional form of fish marketing is suitable only when fish catch is small and distance to the marketing centres is less.

The study conducted by FAO19 in the fishing villages of Andhra Pradesh under the Bay of Bengal Programme had highlighted the important part played by fisherwomen in fish marketing. The study had drawn following conclusions.

(1) The majority of the fishermen families were nuclear and had on an average five members. Of the total sample, nearly 80 per cent of the households depended mainly on fishing for their income and nearly half of these did not have any assets for independent fishing; the men work as coolie fishermen. Women from two-thirds of the households undertook income earning activities and majority of them (70 per cent of working women) engaged in fish marketing.

(2) Women engaged in fish marketing between 7 and 10 hours a day and 5 to 7 days a week. Besides the family's catch, the women procured fish from group purchase and
auction. Usually the women try to sell the fish while it is still fresh. Only the leftovers were dried, as dried fish brings in lower returns.

(3) Fish was marketed mainly through head load. Fish marketing provided women with higher return than coir marketing, small business or other activities. The differences in fish marketing earnings did not correspond to the differences in distance to the larger markets.

(4) The fisherwomen were the economic force in fishing communities as they handled the money obtained from marketing of the family catch.

(5) The fisher women were not interested in organised fish transport. Transport of fish by head load is significant. About half of the women trading fish, spent no money on transport because they walked to the market, carrying fish on their head. Majority of the women did not have any transport problem. For the rest, problems arose because buses refused to carry fish baskets, rickshaws were not available and landings were erratic and irregular.

(6) While the women from more remote places managed to sell all their fish, some who lived closer to the larger market had leftovers. This could be because of the stiffer competition in the large markets.

(7) The traditional practice of bartering fish for other products had nearly disappeared.

(8) The fisher women interested in obtaining bank loans but they were either not familiar with the procedures or found these cumbersome.

The study recommended to adopt the Grameen Bank system of Bangladesh in Andhra Pradesh. The experience of Grameen Bank shows that “Individual” loans given to organised groups are successful even after 10 years of operations. As most fisherwomen in Andhra Pradesh are illiterate and live on a very low budget, it is essential that they should
obtain guidance in starting loan groups. The study observes that the guidance necessary during the establishment of loan groups and the assistance needed to widen the development process should come from the government.

**Fish Distribution through Middlemen**

The most popular form of fish distribution in Andhra Pradesh is the marketing of fish through fish traders or intermediaries. Fish trader is a specialised business man in fish marketing and sale. Usually he belongs to a non-fishermen community. He has his transportation network for the distribution of fish from shore to various fish distribution centres, from where local fish traders can collect fish and serve the urban and rural markets. He not only sold fish locally but also exported it with in or outside the country. Most of the traders possess facilities for processing and preservation of fish. They have trade contact with firms exporting marine products for supplying high valued fish such as prawn. They enter into contract with the fishermen also to supply fish. In the absence of a well organised institutional system for fish distribution in Andhra Pradesh, the fish trader is the only element on whom the fishermen can largely depend for the sale of his produce and such a situation yields the fish trader the position of a monopolist.

Many fish traders in Andhra Pradesh are doing both fish marketing and money lending. Considering the place they belong, they are classified into two groups, the local money lender-cum-trader and non-local money lender-cum-trader. The first category lives within the fishing villages and maintains constant contact with his customer fishermen by way of liberally advancing money and buying their produce. The other category does not belong to the respective fishing villages. These money lender-cum-traders occupy position next to the first category. By advancing money to the fishermen, there creates an implicit understanding
between the traders and fishermen that the latter has to sell their daily catches to the former. In most occasions the fishermen surrender their produce to the trader at the pre-fixed price. The fish trader recovers the loans advanced to the fishermen from the sale proceeds of fish. They usually charge high rate of interest for the loans advanced. Quoting lower price and charging high rate of interest are the two main forms of exploitative practices of the fish trader that remain as the main sources of their profit. The gullible fishermen have no freedom to bargain for a higher price and they are often reduced to the position of bonded labourers and become a ‘price-taker’, though they are the producer-sellers of fish.

**The Intermediaries in Fish Distribution**

The organisation for the marketing and distribution of marine fresh fish consists of a chain of intermediaries such as commission agents, wholesalers, retailers and vendors. They are being assisted by the suppliers of ice and cold storage space, and transporters. All these agents help to link the production and consumption. A brief description about the chief intermediaries involved in the marketing and distribution of marine fresh fish in Andhra Pradesh is given below.

The commission agents do business on commission basis that is entitled to a maximum of ten per cent of the sale value. The commission agents (sale) and commission agents (procurement) are the principal type of wholesaling institutions for procuring and marketing of marine fresh fish in Andhra Pradesh. These wholesaling institutions procure and transport fresh fish for the wholesalers in various consuming centres. All the expenditure incurred for procuring, transporting (including packing) and labour charges are debited to the wholesalers in the consuming centres. The fishermen out of their choice and sometimes out of their financial necessity engage the service of commission agents to sell their fish. There is also
pre-catch contract between fishermen and commission agents and based on which money is advanced to the fishermen, which forces the fishers to act as bonded labourers. These commission agents also function as auctioneers and for their service they take fee (commission) either in cash or kind (fish).

The wholesalers are another important element in the fish chain of Andhra Pradesh. The individuals who are engaged in the activity or selling or negotiating sales to the retailers are called wholesalers. In fish trade they undertake concentration and dispersion activities. These marketing middlemen undertake the marketing of fresh fish to the far off consuming centres. They procure fish in many ways such as directly from fishermen, through commission agents (purchase) and procuring through procuring agents and commission agents (sales). They advance money to the fishermen in anticipation of catches and the advances are interest free also.

The retailers of marine fish in Andhra Pradesh can be classified generally into two categories, viz., fresh fish retailers and dry fish retailers. The fresh fish retailers, further consist of two sub-groups: (1) retailers who sell from a particular place, usually the market, and (2) retailers who undertake door to door retailing usually called vendors. Geographically, the retailing institutions can be classified into two categories: (i) local retailers and (ii) retailers who sell in near by places. Majority of them use bicycles to carry on fish trade. The cyclists market their fish in a very peculiar way. Some of them visit the landing centres early in the morning and collect the fish and sell it sitting in the market. Some others visit the landing centres early in the morning or evening and collect fish and go back to their villages and sell either in their village market or to the nearby village markets. A third type of cyclists used to move around the city and visit every house and sell fish. The average selling capacity of these cyclists is around 20 to 30 Kg.
Organisational and Institutional Marketing Supports in Andhra Pradesh

The support of the inputs of services is essential for the development of fishing industry. They can be broadly classified into two categories; commercial and non-commercial. The fishery inputs like craft and gear, diesel and fuel oil, ice and cold storage facilities, processing and marketing facilities are commercial support activities. The fishery administration, research and development, education and training of fishermen, corporations and co-operatives, etc., are the non-commercial fishery support activities. The fishermen normally pay for the former services. The following section explains the different non-commercial fishery supports rendered by the state for the promotion of fish marketing.

Andhra Pradesh has three prominent agencies, viz., Directorate of Fisheries, Fishery Co-operatives and Fisheries Corporation, that are working for the fisheries development activities include the promotion of fish marketing also. The Directorate of Fisheries plays a major role in implementing the state government polices for the fisheries' development. It concentrates in co-ordinating the activities of fishermen, financing agencies, processing units, marketing units, etc. It also helps in implementing the plan schemes for promoting fisheries in the state. There was a phenomenal increase in the plan outlay on fisheries from Rs.5.90 lakhs during the First Five Year Plan to Rs.2969 lakhs in the Seventh Plan. The major programmes that have been continuing through the successive Five Year Plans can be summed up into (i) mechanisation of fishing boats, (ii) development of fishing harbours, (iii) provision of infrastructural facilities, (iv) development of brackish water fish forms, (v) development of fish seeds and (vi) development of fish reservoirs, tanks and lakes.

Besides the State Government schemes, there are many centrally sponsored schemes for the development of State Fisheries. These include schemes for the development of landing and
berthing facilities at minor ports, construction of jetties and development of infrastructural facilities in coastal fishing villages. An evaluation of the working of the Directorate of Fisheries of Andhra Pradesh shows that its activity concentrated in the modernisation of the fishing industry and marketing of fish remains a neglected area.

Next to the Directorate of Fisheries, the fishermen's co-operatives are another institutional agency working for the development of fisheries in Andhra Pradesh. Fishermen co-operatives were organised in Andhra Pradesh even before the implementation of First Plan to liberate the fishermen from the clutches of money lenders and traders. Fishermen were exceedingly depended on money lenders for their financial requirements and traders for marketing their catches. They exploited the poor fishermen by way of charging high interest on borrowed money and low prices for their catches. To help the fishermen to overcome these problems fishermen co-operatives were organised in Andhra Pradesh and there were about 243 fishermen co-operatives societies at the time of the formation of the state.\(^{21}\) (November 1, 1956).

A two-tier system of fishermen co-operatives is existing in Andhra Pradesh with two central societies of fishermen operating at regional level and about 1179 primary fishermen co-operative societies at the base level. The two central societies are (i) Andhra Fishermen Central Co-operative Society Ltd. (AFCCS) and (ii) Telegana Fisherman Central Society Ltd. (TFCCS) Hyderabad. The AFCCS is an apex body with its jurisdiction over eight marine districts at Rayalaseema region. The society started function in 1960 at Kakinada. It actively engaged in the supply of fishery requisites to the members. The important fishery inputs supplied by the society are nylon and diesel. Further, the society is also manufacturing shark liver oil and supplying to all the government hospitals in the state. The TFCCS has its
affiliation over ten districts of Telangana region. It is the Central Society for only inland fishermen. A few of the primary fishermen co-operative societies that are named as primary marketing co-operatives, have undertaken marketing of fish to a limited extent.

The above said fishermen co-operative societies are mainly concentrating in obtaining loans from the banks for their members, supply of fishery inputs, provide consumer goods at a low price and improve their socio-economic conditions. But marketing the fishermen catches has received only least attention on their part.

Another agency working for the fishery's progress in Andhra Pradesh is the Andhra Pradesh Fisheries Corporation, which was established in 1974 with an authorised capital of Rs.3 crores. It has been formed with the major idea to handle the commercial activities of the Directorate of Fisheries. Its activities can be broadly divided into (i) fishing, (ii) inputs supply to fishermen, processing and (iii) marketing of fish (both domestic and export). The fishing operation unit of the corporation consists of about 22 trawlers. The trawlers operate from Kakinada and Visakhapatnam. The main inputs supplied by the corporation are, boats, both mechanised and non-mechanised, ice, diesel and fuel oil and gears. Very often the supply of inputs to fishermen linked to the marketing of catches. For internal marketing of fish, the fisheries corporation is operating retail stalls in Vizag, Hyderabad, Vijayawada and Kurnool. There are about 40 retail outlets in the above centres. The stalls in all the places work on all days except on Saturday between 9 a.m. to 1 p.m. and 2 p.m. to 6 p.m. The corporation procurers fish from the centres through out the coast with the help of marketing officers. Though the Fisheries Development Corporation is working with lofty objectives, but so far its area of business is very limited and the quantum of fish handled is very small. It is marketing hardly less than one per cent of total fish marketed in Andhra Pradesh. If it has to save the fishermen from the clutches of traders and money lenders, it should reorient its marketing
strategies. For that it should establish more purchase points that are easily and economically accessible to the fisher folk.

**Sale System of Fish in Andhra Pradesh**

Different forms of sale systems are followed in Andhra Pradesh to dispose of the marine fresh fish. The chief among them are the auction system and bargain system, though the fixed price system and pre-contract price system are followed occasionally. In beach market, bargain system is more popular. The fishermen quote a very high price for his produce. The crafty middlemen or petty traders bargain hard and finally they agree to pay price that is lower than the quoted price by 50 to 60 per cent. In the wholesale market, auction system is generally followed. The traders and middlemen make a visual estimate of the relative abundance of the different fish varieties landed and offer prices for lots accordingly.

The study made by Rama Rao in 1993 about the sale procedures of the marine fish in Andhra Pradesh had drawn the following inferences about the fish marketing system of the state.

(1) 80 per cent of the total catch was sold to middlemen who were in general exploit the fishermen.

(2) 20 per cent of the total catch was disposed through direct sale.

(3) Fish prices fluctuated significantly from season to season.

(4) All varieties of fish fetched high price in unseason, twice as much as in season.

(5) Fish fetch highest price in the urban areas of the developed districts of Andhra Pradesh and lowest price in the rural areas of the backward districts.
(6) Fish prices were much higher in the urban and rural areas of the developed districts than in the corresponding areas of the backward districts. This pattern reflected the greater demand for fish and purchasing power of the consumers in the developed districts.

(7) Significant variations were found in the fish prices between beach markets and consumer markets and consumer markets between the backward and developed districts both in season and unseason.

(8) Fish of any variety was given different prices in different areas and the prices paid to the fishermen were disproportionately low to the prices charged from the consumer.

The study concluded that the present fish marketing system of Andhra Pradesh was designed in favour of traders and middlemen who exploited the fishermen by paying them low prices for their produce. The degree of dependency on middlemen and traders by the fishermen was high in the disposal of their produce. As a result, the degree of exploitation was also very high. The involvement of the government in buying the produce of the fishermen was totally absent and the market was unregulated. As a result, the fish marketing had remained a monopoly of traders and middlemen. Due to the risk of perishability of the produce and lack of storage facilities, the fishermen obliged to sell their produce at low prices, particularly in season. They had no option open to them but to sell their produce at the prices dictated by traders and middlemen. Hence there was the dire need for a new marketing system that would safeguard the interest of the fish producer-sellers and provide them justice. For this the following measures were suggested by the study;

1. implementation of a uniform price policy to minimise the fluctuations of fish prices;

2. replacement of the lot system in the fish marketing with a weightment system;
3. involvement of government and related organisation in fish marketing;
4. establishment of fishermen marketing societies to ensure better returns for their produce and
5. introduction of a price system in which separate prices are fixed for different species.

All the above said measures were aimed to eliminate the exploitative system prevailing in the internal fish marketing of Andhra Pradesh and replace it by a marketing condition that was able to protect the interest of the fish producers.

Section -- III

A Comparison of the internal marketing system of Marine Fish in Andhra Pradesh and Kerala

An attempt is made in the following section to compare and contrast the features of internal fish marketing system of marine fresh fish in Andhra Pradesh and Kerala.

The general conditions of the internal fish marketing system of marine fresh fish in both Andhra Pradesh and Kerala show a high degree of similarities. In both States, the fish producer-sellers are large in number, but has no control over the fish markets. The flow of fish from the beach markets to the various consumer centres is facilitated by the mediation of few intermediaries. They constitute the demand side of fish before it reaches at the disposal of the ultimate consumer. Since the fish producer-sellers have no touch with the end markets, they are the dependants of the middlemen to market their produce. So the present fish marketing system is one where large number of fish producer-sellers facing few intermediaries or buyers, which resembles a market structure of oligopsony. It means the present fish
marketing system is imperfect and it remains imperfect not because of the market power enjoyed by the fish producer-sellers, but by the purchaser or the intermediaries.

In both states, the fish producer-sellers exceedingly depending the marketing intermediaries because of their poor economic conditions. For money to possess craft and gear and to meet out their personal needs, they have to depend mainly the marketing intermediaries. The part played by the institutional agencies in this area is not at all promising.

The main production form in both states is group fishing. For the division of the value of fish, the share system is followed. The share is determined based on the contribution of the members in the group to the total investment for possessing craft and gear. In group fishing, in both states, a good portion of the total investment is made by the middlemen. Hence the major share of the value of total catch is appropriated by the middlemen and it accounts for the poor economic conditions of fishermen in both Andhra Pradesh and Kerala.

The infrastructural facilities for internal fish marketing in both states are poor. The fish producer-sellers are not having any proper landing, storage and transportation facilities. They have not any information system to know the latest market conditions of various fish markets of the state. They have to satisfy with the terms and conditions dictated by the marketing intermediaries. Hence the insufficient infrastructural marketing facilities forced the fish producer-sellers to act as a ‘price-takers’ rather than a ‘price-makers’, which remains as a paradox in an imperfect market structure.

The distribution channel of fish in both states is not controlled by the fish producer-seller. It is predominated by the marketing intermediaries such as commission agent, wholesalers and traders. A good portion of the total catch is marketed through these agencies in both states and direct sale is carried out only to a limited extent. The role of institutional agencies in the fish distribution system in Andhra Pradesh and Kerala is negligible. Only less
than one per cent of the total catch is handled by the institutional agencies. The State Governments in these states have shown only little interest in the involvement of fish marketing and hence it remains unregulated.

In the determination of fish prices, the forces of market have excessive role in these states. Administered price system is absent in both states. Different forms of price systems prevailing in these states such as auction, bargaining, fixed price, pre-contract price, etc. Among them the auction and bargaining are the chief forms. In both states fish prices are subjected to wider fluctuations. The variation in the fish supply is the main cause for this tendency. It remains beyond the control of the fish producer-sellers. Since marine fish is a common property resource, there is no regulation for its judicious exploitation in these states. The fish resources are exploited indiscriminately. This often resulted in glut in the market, with which the fish prices sometimes ebbed to the lowest position. The high perishable nature of fish and the lack of storage facilities on the part of fishermen are the important reasons for this tendency. To prevent such a fall in price, in both states, the governments have no price policy of their own. Hence fishermen remain without any proper assurance of fair returns from their produce.

Both states have though many aforesaid similarities, they are not devoid of differences. After the introduction of mechanisation, the production of the fishery sector in these states had gone up. A change in production of a commodity has always its impact on its market structure. Due to the change in the fish production, the marketing structure of fish in these states also underwent changes. Former structure of fish market with the predominance of direct sale is changed into a market structure with greater link of different types of intermediaries. Fish trade which was exclusively controlled by the fishermen community before the mechanisation is changed into a marketing system with the involvement of people from
outside the fishermen community. Compared to the pre-mechanisation period, the modern fish
marketing structure is enlarged and extended one. It is an important area in which Andhra
Pradesh and Kerala differs. Andhra Pradesh’s fish marketing structure is enlarged and
extended than Kerala. In Andhra Pradesh, the marketing channel consists of a large group of
intermediaries such as auctioneer's commission agents (purchase), wholesalers, commission
agents (sales) and retailers or vendors. But such a kind of extended type of fish marketing
channel is not seen in Kerala. The present study proved that greater the intermediaries
involved in the fish distribution system, lesser is the share of consumer rupee enjoyed by the
fish producer-seller and hence higher the exploitation (see chapter IV). In this respect, since
the length of fish marketing channel is larger in Andhra Pradesh, the fish producer-sellers
remain comparatively more exploited than their counter part in Kerala. In both states, the
governments have no price policy to assure a fair return to fish producer-sellers. Wider
fluctuations in fish prices are the order of the day, which is always affecting the economic
position of the fishermen. They have no control over the fish prices. It is only by increasing
their market power, that they can gain control over the fish prices and markets. With this
motive, in Kerala, the government is endeavouring to organise the fishermen on co-operative
basis under the leadership of an apex co-operative organisation viz., Matsyafed. Its main task
is to organise the fishermen by setting up primary credit and marketing fishermen co-operative
societies. The activities of the Matsyafed are only in its initial stages. If Matsyafed can fulfil
its mission, then the fishermen can meet out his financial requirements and market their
produce through these societies. It means the role of the marketing intermediaries can be either
mitigated or eliminated. But in Andhra Pradesh such a kind of endeavour is not yet started
and the fishermen are completely exposed to the exploitation of middlemen.
Thus from the foregoing analysis it can be inferred that, the structure and pattern of the fish marketing in both states have undergone changes after mechanisation in many respects: (1) the competitive characteristics of the early fish marketing is reduced to an oligopsonistic nature; (2) fish producer-seller is brought down to the position of price-taker; (3) the beneficiaries of the changed marketing structure are largely traders and middlemen and (4) the modern marketing structure has provided abode to the people from outside the fishermen community.
References


2. Ibid, p. 65.


11. Ibid.

12. Ibid.


14. Ibid.

15.CMFRI, 1994, op.cit.

16. Description largely drawn from Rama Rao, op.cit.


