

Outlook of fresh fish marketing of Sri Lanka: Understanding factors influencing fish price in short-run

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Key words: fish price, marketing

Abstract

Fresh fish marketing is vital in the national economy. In the current annual fish production of around 285,000 mt over 80 percent is locally marketed as fresh of which over 60 percent is channeled through wholesale marketing system. The Colombo St. John Fish Market itself handles over 35 percent of fish produced from all parts of the country. The business income of the producer, trader and the value for the consumer depend on the configuration of the price. The present study investigates the mechanisms adopted in price determination in fish marketing with the view of establishing a fair economic value for the producer, trader and consumer.

Data on fish supply and factors influencing wholesale price of fish was obtained from the St. John's Fish Market through weekly sampling. Retail price and consumer demand was studied at selected retailing stalls including two supermarkets in and around Colombo, which obtained fish from St. John's Fish Market. The period covered was from July 2005 to June 2006.

Market intermediates begin with beach assembler and thereby goods flow through several buying units before reaching the final consumer. Since intermediates kept profit margin resulting in snowballing of the price where increase of 96 – 178 percent depending on operating norms at site. Producer price determines on offer price of the assembler, which in turn derives out mainly of the price of fish of the previous day at the wholesale market. The highest risk of making a bad purchase decision in the market chain is observed at this stage.

Consumer price depends on the selling price of retailer but intern retailer price depends on the consumer willingness which depends on accountable and non-accountable qualities and the purchasing power of consumer. Retailer retains the highest market margin as he is the interface with the customer and is in a position to influence and to maintain consumer willingness. The study discusses mechanisms, which could control the fish prices in the present marketing system where traders are freely fixing fish prices according to demand and supply.

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