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Vol XVI
No. 3

ISSN 0019-5014

JULY-
SEPTEMBER
1961

INDIAN JOURNAL OF AGRICULTURAL ECONOMICS

INDIAN SOCIETY OF
AGRICULTURAL ECONOMICS,
BOMBAY

The suggestion of paying Rs. 2 per book per month to the teacher-instructor requires serious consideration of Government. This could be favourably compared with the subsidy given for compost pits. If the farmer is made to realise his financial position and is induced to adopt business-like attitude towards farming, total farm income and farm production would increase and Government would reap the benefits of this small investment in inducing farmers to keep accounts. The reward of Rs. 25 per account book to a student will be quite adequate in inducing students to take up this work. It will also help the policy of "earn and learn."

D. K. DESAI

The Economic Role of Middlemen and Co-operatives in Indo-Pacific Fisheries, Vol. I, Edited by E. F. Szczepanik, Food and Agriculture Organization of the United Nations, Rome, 1960. Pp. viii+133. $1.50.

The publication under review is divided into two parts. The first part presents the results of the Economic Survey of Fishing Industry in Thana District, Bombay State, conducted by Dr. M. B. Desai and Shri P. R. Baichwal of the Department of Economics, University of Bombay, while Part II gives the results of a similar survey carried out in Hong Kong by Dr. E. F. Szczepanik of the University of Hong Kong. They are the first two contributions to a programme of research on the economic role of middlemen and co-operatives in Indo-Pacific Fisheries, initiated by F.A.O. in 1956 in collaboration with Universities in Asia.

In the study on the economic role of co-operatives and middlemen in fisheries in the Thana District—one of the most progressive areas in the country in respect of sea fisheries—the authors conclude that the organization of co-operatives has made a profound impact on the role and methods of middlemen in the fish trade of the area. The scattered nature of fishing communities, their relative isolation, the difficulty of establishing contact with fishermen who are so often at sea and the low standard of literacy have all made the task of understanding and studying the problems of fishermen both slow and difficult. While the technical and administrative problems of fishermen are probably well understood, their economic problems tend for the above reasons to be neglected by the analyst. The comprehensive survey based on four typical sea fishing villages, undertaken by the Bombay University is to be welcomed for this reason as one of the first attempts in this country to analyse and study the economic aspects of the industry and the trade.

The fishermen engaged in small-boat sea fishery in the under-developed countries are exploited by middlemen in varying degrees. The Thana District was found to be no exception to this. According to the survey, the geographical dispersion of fishing centres, high perishability of the product and inadequacy of transport, cold storage and preservation facilities and most important of all the poverty of fishermen and their recurrent need for loans for production and consumption have led to the entry of numerous middlemen into the fish trade. The almost complete pre-occupation of fishermen with the catching of fish and all its concomitants to the more or less total neglect of the business aspect of the industry have in the past played into the hands of the middlemen.

About ten years ago, the middlemen in the Thana District were able to obtain all the produce of the fishermen at prices dictated by the middlemen in return for meeting the working capital requirements of the fishermen. The survey has not brought forth any data regarding the prices obtained by fishermen under this old system. The inequities that would result—and still occur wherever the system prevails—are, however, apparent *a priori*, especially where the system combines with oligopsony and absence of open auctions. The formation of co-operative societies of fishermen and the introduction of the auction system in the wholesale market have considerably improved the position of the fishermen in relation to village middlemen. Both village middlemen and co-operative societies were found in the survey to be offering equal prices for fish.

There has not, however, been any considerable change in the methods of operation of the larger middlemen. Under the present system, these middlemen—the most important class are auctioning agents at Bombay's Arthur Crawford wholesale fish market—advance loans to fishermen at the beginning of the season against the entire fresh fish catches of the contracting fishermen during the following season. They charge a commission of 6¼ per cent of gross value of fish for auction of the fish and recovery of proceeds from retailers. Apart from this all costs incidental to the transport and handling of the fish are recovered from fishing teams from out of the sale proceeds. The middlemen do not charge actual interest on the loans they advance, but charge a discount of three per cent or over on all fish brought for sale by fishing teams. This discount considered as an interest on the loan may run into much more than rates of interest permitted by law and is continued to be charged even though the loan may be recovered.

The survey has brought forth valuable data regarding the costs of marketing of fish. The selling costs of fish accounted for as much as 9 to 13 per cent of the proceeds and the total costs of marketing including transport, handling and selling costs formed anything from 20 to 51 per cent of gross sale proceeds of fish. The organization of marketing by co-operatives has in no way led to the reduction of these costs.

Apart from the salutary influence exercised by the co-operative societies on the business methods of the middlemen in so far as the latter are no longer able by price-fixing to mulct the poor fishermen, the co-operative societies have not been able to wean the fishermen away in any considerable measure from the middlemen. The financial and organisational weakness of the co-operative societies appears to be one of the causes of this. This along with a want of any particular incentive in reducing management costs have led to the ineffectiveness of the co-operatives. The heavy incidence of transport and handling costs is an external dis-economy which could only be removed in the long run by providing quick transport, better roads, more and cheaper ice and storage and the State Government should doubtless consider this problem specifically while planning the development of the fishing industry of Thana. A part at least of the heavy marketing cost is due to the oligopsony of middlemen at the wholesale market and of the lack of any proper organisation of recoveries at the market, which leads to the charging of heavy commissions to cover the risk. Better organisation of the wholesale trade as a whole should offer considerable facilities for reducing

the auctioneer's margins and lead to a freer entry of private individuals as well as co-operative societies to the ranks of the auctioneers who under present conditions can easily operate as a ring.

The suggestion in the foreword (by D. B. Finn, Director, Fisheries Division, F.A.O.) that the future of the co-operative movement depends chiefly on the standards of general and business education of the fishermen sounds trite to the reviewer. It may be recalled here that the lack of education as a cause of the failure of co-operatives was classified by the Rural Credit Survey as a 'reputed cause' of failure which the survey clearly showed to be the least important of the actual causes of failure.

The survey has clearly revealed that the fundamental malaise with the co-operative movement of fishermen in the Thana District lies elsewhere. It is clearly seen that the co-operatives have not been able to make greater headway than they have because the operation of the middlemen at the wholesale market by way of financing the fishermen and marketing their produce at a heavy cost and the considerable possibilities open to them for manipulating prices to the disadvantage of the fishermen have queered the pitch of the primary credit and marketing societies. Unless, therefore, the operations of these middlemen are in some way controlled, the fishery continues to be an uneconomic proposition for the credit operations of the co-operative societies which ultimately depend on the banking system for their finance. The indifferent state of recovery of seasonal credit granted by the societies is a manifestation of this phenomenon and leads to large scale desertion of fishermen from the co-operatives to the middlemen.

It is in this context that we welcome the suggestion made by the authors of the survey that the Central, State and municipal authorities connected with the fishing industry should look at the industry as a whole and intervene whenever necessary by applying controls, administrative and financial. There is no doubt that the application of such controls will involve increasing participation of bodies sponsored and financed by the State in the important sphere of marketing of fish.

K. V. PRADHAN

Grain Banks in Marathwada (Maharashtra State), N. P. Ranbhise, Aurangabad (Sponsored by the Research Programmes Committee, Planning Commission, Government of India, New Delhi), 1960. Pp. 209. Rs. 8.00

The book embodies the results of an enquiry conducted by the author into the working of the Grain Banks in Marathwada. The study was undertaken on behalf of the Research Programmes Committee, Planning Commission, in 1955-56. Though the organisation of Grain Banks in the erstwhile Hyderabad State dates back to 1938-39, the movement developed rapidly particularly after 1945 because of the preference given to these co-operatives by the Government in the execution of its food policy. Further, the organisation of these societies was also encouraged by permitting the societies to retain one-eighth per cent of the grain levy contribution by each cultivator and credit it against their share capital contribution, provided 75 per cent of the cultivators in the village agree