

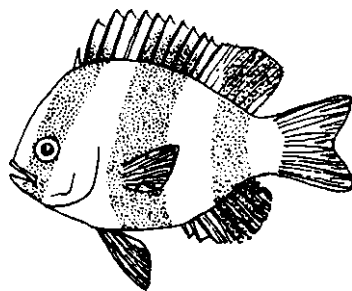
A P R O P O S A L

A PROPOSAL BY THE FISHERIES DIVISION TO  
RAISE THE BUYING PRICES AT ITS TERMINALS  
AT LAMI, LAUTOKA AND LABASA, AND TO  
INTRODUCE A GRADING SYSTEM FOR FISH

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MINISTRY OF AGRICULTURE  
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## Section 1.

### INTRODUCTION

At present the local supply of fresh fish in Fiji is insufficient to satisfy the country's demand.

Customary habits, of most of the fishing communities are such that fishing is done mainly on Wednesdays, Thursdays and Fridays, with each fisherman having to sell his own catch in the local markets on Saturdays.

There are, however, some fishermen who do fish on a more commercial basis. These fishermen fish most days of the week including Sundays and sell most, or all of their catches to large commercial institutions. Since this quantity of fish is sold away from the municipal markets, a large proportion of the fish consuming public who buy fish only at the towns markets are deprived of fish.

This fishing practice results in an irregular supply which causes prices to fluctuate violently. With heavy demands for fish towards the end of the week force prices up and prevents individual consumers, especially in the lower and middle wage brackets, from buying fish at a reasonable price. Prices also fluctuate because of the fisherman's lack of knowledge of proper marketing techniques such as

- (a) The proper preservation of fish with the use of ice.
- (b) The knowledge and understanding of demand situations in the market.
- (c) The knowledge in selecting the best markets for the sale of his fish.

## Section 2

### PURPOSE OF THE PROPOSAL.

The purpose of this Proposal is to alleviate current conditions by applying the following actions.

It is intended that these two actions will achieve the following effects on fish marketing.

- (i) increase production
- (ii) provide a more continuous supply of fish,
- (iii) stabilize fish prices
- (iv) ultimately reduce the price of fish.
- (v) satisfy local requirements
- (vi) assist in decreasing imports
- (vii) increase employment in the fishing industry
- (viii) provide no, or short supply markets, with fish
- (ix) allow a smooth takeover by a specialist organization,
- (x) ultimately make possible the establishment of an independent Fish Marketing Organization.

### Section 3

#### THE GRADING - OF FISH

A new fish grading system has been incorporated into the Divisional market survey reports. (Section 4) which is an integral part of this proposals.

The new grading system is based on recommendations by Mr. Lars Videaus a U.N. Marketing Consultant. Besides grading by species, the fish are further graded according to market demands, local consumer preferences and quality of the fish with regard to bone and fat content and general meat condition.

This grading system also give fishermen an economic incentive to catch better grades in order to receive the more attractive prices.

The Fish Grades list attached as an appendix to this paper, although not complete, classifies fish which are most commonly caught and sold through the various

## Section 4

### CURRENT MARKET CONDITIONS

Surveys current to May 1973 were conducted by the Marketing Officers of the Central Division, the Western Division and the Northern Division. The survey was aimed mainly at gathering current buying and selling prices at municipal markets and commercial institutions. The result of these surveys are being presented in this section as separate reports for each Division.

Municipal Market Masters, Hotel Catering Managers, Wholesale and Retail Vendors, Fishermen and Consumers were interviewed to obtain these results.

### NORTHERN DIVISION - SPECIFIC SURVEY.

Supply and production in the Northern Division equals or exceeds local demand. Fish consumption per capita is the largest in all of Fiji and landings per capita (26,8 lbs) are twice that of my other area (Lars Videaus November 1971).

The production has been limited, however, because of the unavailability of further markets to absorb the catch. Of sixty-six licensed fishermen who were interviewed at the Labasa Fisheries Terminal or the Municipal Market, none devoted full time efforts to fishing. Fifty-one fished two days a week or less.

The concensus of opinions was that if full time was directed toward production, volume would triple or quadruple. Present markets and prices are delineated in the appropriate chart. Projecting the figures as supplied, the Northern District could conservatively produce 600,000 lbs. of excess fish per annum for consumption at other markets.

The proposals to restructure the fish marketing Division, :

for full time fishing and capital investment.

Volume in 1972, including 31,557 lbs. shipped to Suva, amounted to 329,303 lbs. in the first 4 months of 1973 volume amounts to 158,128 lbs. including 4,303 lbs. shipped to Suva.

Shipping costs would be a maximum of 2c a, lb. contract basis, on a privately leased freezer ship handling 20,000lbs of fish every two weeks. A larger vessel is available at the same rate should volume require its implementation. Based on present costs, the shipping charges and the restructured prices, the average would be delivered to the Central Market at competitive prices while still maintaining stability of prices in the Northern Division. With the projected substantial increase in volume, greatest part of which will be funneled through the terminal, better quality, control, more efficient use of Fisheries personnel and equipment, and, consequently, lower prices will result as the supply approaches the demand.

#### **WESTERN DIVISION.**

A market survey was conducted in the Western Division by the Marketing Officer and Senior Fisheries Assistant. The Survey included municipal markets, hotels and commercial users.

There are six (6) municipal markets in the Western

#### **Divisions:**

1. Rakiraki
2. Tavua
3. Ba
4. Lautoka.
5. Nadi
6. Sigatoka.

It was noted that, with the exception of Lautoka, there was never a good supply or selection of fish available at any market, and good fish display practices were not

We found that this situation was due mainly to the fact that the large commercial fisherman, rather than bring his catch to a market and wait all day to sell it, or to the Fisheries Terminal where he would receive a very low landing price, would sell his catch to the large commercial users and hotels. This causes a unique situation, where in Ba, which is rich fishing area, there is little fish available to the consumer, yet Ba fishermen would travel all the way to the Coral Coast to sell their fish to hotels.

Fish supply was more acute at Tavua, Rakiraki, Nadi, and especially at Sigatoka where no fresh fish were being sold. It was also noted that at all markets, fish on display were never iced and fish were sold at a price for the entire fish, rather than at a per pound basis. For example, Kawago at Lautoka, at the same time, were being sold at 2<sup>1/2</sup> pounds for 70c and 5<sup>1/2</sup> pounds for 2.00 which is 28c/lb." and 36c/lb respectively. (see Chart attached as Appendix B.)

Prices varied greatly within the Division, with Premium selling for between 17c - 67c; Grade 1 16c - 82c; Grade 2 10c - 58c; and Grade 3 9c - 43c.

All major hotels in the Division were surveyed, and the major finding was they too could not get enough fish.

The hotels would like to plan menus with fish, but in so doing, they are committing themselves to the product. They've found they have to offer fish as a Chef's special, because of inconsistent supply. They import much fish to maintain supply and frequently call each other to shuffle extra fish back and forth. Hotels are users of primarily Premium grade fish, notably Walu, and would like to be able to get a steady supply of this grade.

As previously mentioned, many of the large commercial fishermen sell their catches directly to hotels. (See Appendix C) However, the hotels are not assured as to the freshness of the fish. An example is that Mana Island resort bought several thousand pounds of fish from Waya Fishermen, More than 700 lbs. of fish turned out to be spoiled, and our inspection of fish in the freezer showed that other fish in the freezer were not gilled.

All hotel catering managers were very receptive to having a source from which they could obtain a steady supply of good quality fish.

All major retail outlets were surveyed in the Division, notably B.P.'s and M.H. in all large towns. Again only B.P. in Lautoka was able to obtain fish from local fishermen to sell at retail. All other store managers interviewed said they would sell fish -if it were available.

At the Fisheries Division Terminal most fish is landed by Viwa Fishing Scheme, and several self-help programmes.

These fishermen are becoming very discontented with this operation because they realize they can get more than double their present landing price if they sold their catch at a market.

### **CENTRAL DIVISION**

In the Suva area, fish is in continually short supply, resulting in high prices, especially towards the end of the week. Demand for fish is conversely high. The market is a sellers market; with the vendor able to set any price and usually selling his fish at that price or just slightly lower. As seen on the price chart, current fish prices are extremely high, and with the current supply situation will remain so. The vendors are operating at a very high return on cost, sometimes exceeding 100 percent.



The commercial market sector in Suva, that is hotels, are buying fish from fishermen at between 18-30c per pound. However, they all voiced complaints that their supply was equally as short as the market and they would be willing to pay more for continuous and consistent suppliers.

If supply is increased in the Suva area, prices will fall. The external prices to be proposed by the Fisheries Division later in this report will be lower than the present market price retail shop price and also help to lower the price at the market by drawing some of the demand away from it.

Section 5.

NEW PRICING STRUCTURE.

It is the intention of the Fisheries Division to implement new buying prices for fish landed at its Terminals at Lani, Lautoka, and Labasa. The following chart contains the current and proposed prices by Division and Grade in cents per pound.

PRESENT PRICES					PROPOSED PRICES				
	Grade	Landing Fee.	Term Fee	Wholesale Ex-Term.	Retail Ex-Term	Landing Fee	Term Fee.	Wholesale Ex-Term	Retail Ex-Term
Lani	Premium	14c	3c	17c	20c	27c	4c	31c	34c
	1					24c	4c	28c	31c
	2					20c	4c	24c	27c
	3					15c	4c	19c	22c
Lautoka	P	14c	3c	17c	20c	26c	4c	30c	33c
	1					22c	4c	26c	29c
	2					18c	4c	22c	25c
	3					13c	4c	17c	20c

\* Wholesale sales are for orders of 50 lb. or more. An additional 3c per pound is added to compensate for handling of small orders as proposed by L. Vidacus.

#### Section 6.

#### SUBSTANTIATION OF PROPOSED LANDING PRICES.

The present landing prices at Fisheries Division Terminals have proven to be too low to attract most large and small producers who can easily find better prices at other marketing outlets. The prices paid are now so low that a fisherman could fish for six days, land the fish at a Fisheries Terminal, but get more money if he fished for three days (as he is doing now) and sold the fish at the market. The fishermen have on many occasions sold their better grades of fish at the market and brought the lower quality fish to the terminal.

The new ex-terminal prices reflect the current market situation. Because of personal preference, certain species of fish are in greater demand. The new prices reflect this demand and will induce the fisherman to bring in to the Terminal the better grade fish. The price change is also designed to attract a larger fish supply on a continuing basis. It is expected that the fisherman will land their fish at the terminal as opposed to selling it themselves at a municipal market or to a commercial user, where the price and purchase of his entire catch will be guaranteed by Fisheries. Besides this we hope that immediate payment will reduce his turnaround time and he will be able to go out and fish again more quickly.

The prices have also been changed to induce the subsistence fisherman into commercial production. With new

All landing prices have been designed so that the wholesale and retail selling price ex-terminal will remain competitive with present market price within each division.

Another factor causing the variation in landings is transportation costs incurred by Fisheries Division to move the fish from Labasa to Lami. Demand differences between Divisions for certain species of fish are yet another factor in price variations. The supply in some areas of a certain grade of fish is very high, while in others it is low. The price reflects this demand. Thus the landing price can be lower at one Terminal in comparison with the others. Local costing factors to fisherman also affect the prices. Length of time to reach fishing grounds equipment, the ease of catching have a great influence on the price paid.

#### TERMINAL MARKET FEE

The Terminal Market Fee has been raised one cent for the following reasons;

1. Labour costs have increased considerably since the fee was originally costed.
  2. Fish selection and grading process will require much more time.
  3. The selection and grading will also involve much more handling of the product, incurring the additional expense of more ice and equipment,
- \* Report on Small Unit Fishing Schemes, Lars Vidaeus,

#### Section

#### REVOLVING CAPITAL FUND.

In order to fully implement this new price structure, a revolving capital fund must be set up at each terminal. This must be done so that the fisherman, upon landing his catch, will be paid immediately. The fisherman will be paid by cheque only, which can then be cashed at the local bank.

he can purchase supplies and go out fishing again very shortly after payment, thus continuing a steady supply to the terminal. The book-keeping will be under the direct control of the terminal manager, who, in conjunction with either the Principal Agricultural Officer, Executive Officer or the Fisheries Officer of the Division will sign all cheques on a duplicate signature basis.

It is estimated that each terminal will require an initial fund deposit of \$5,000. This will cover approximately 20,000 pounds of fish per month, which can be easily handled at the terminals. All proceeds from sales of fish will revert back to this fund at each terminal, to pay back the initial amount and build up capital reserve.

### Section 8.

#### TERMINAL OPERATIONS.

The Fisheries Division is presently operating landing terminals at Labasa, Lautoka, and Lami with a fourth proposed for the Eastern Division. When the proposals has been accepted their functions will be:-

1. To receive bulk landings from coastal fishing vessels and purchases of the catch from the fishermen, thereby relieving them of the cost burdens of distributing and selling their catch.
2. To hold fish in storage when temporary gluts occur.
3. To distribute the fish on a steady basis so as to stabilize market prices.
4. To act as focal wholesale selling points serving not only the urban retail markets but also other wholesale buyers, i.e. hotels, restaurants supermarkets, institutions etc.

5. To hold fish and be the central regional collection

10.

6. To service vessels and municipal markets with ice, and
7. To serve as the centralized point through which fish inspection, quality, control, promotion, and marketing can be implemented in a more rational way.

Appendix C.WESTERN DIVISION - LARGE HOTELS

Hotel	WALU		GROUND FISH	
	Current Buying Price/lb.	Approx Weekly Demand.	Current Buying Price/lb.	Approx Weekly Demand.
HIBISCUS	.30	80 lb.	25	80 lb.
TANCA	30	250	25	150
SKYLODGE	30	100	20	100
FIJI MACOMFO	26	450	20	450
TRAVELODGE (Nadi)	25	150	22	150
SUNLOVER	30	*	30	*
GATEWAY	30	250	21	250
KOROLEVU	25	150	25	500
REEF	25	150	25	60
FIJIAN	28	200	15	400
MANA ISLAND	25	500	20	1000
		* NOT KNOWN. NEW HOTEL.		
QUANTAS	30	500		
B.P. Lautoka	23	200	17	450

TOTAL WEEKLY DEMAND: 3830.

PRICES PAID PER POUND AT MUNICIPAL MARKETS

Grade of Fish.	CENTRAL DIVISION		WESTERN DIVISION					
	Suva	Raiwaqa	Rakiraki	Tavua	Ba	Lautoka	Nadi	Sigatoka
<u>Premium</u>	45-50	45-60	17-21	-	25-32	20-38	24-67	-
Grade 1	40-50	40-50	17-20	16-26	23-33	17-39	22-40	37-82
Grade 2	35-40	35-40	-	10	21-58	19-33	25-30	53
Grade 3	30-35	30-35	-	9-10	28	15-25	-	43

\* No fresh fish at the Sigatoka Municipal Market.  
smoked fish were being sold.

Appendix APISH GRADES.

<u>Premium</u>	<u>Grade 2 (Cont.)</u>	<u>Grade 5(Cont'd)</u>
Balolo	Kaua	Gaka
Kawago	Koliniwai	Ika Vuka
Kito	Kabatia	Ika Droka
Matawa	Kanace	Jina
Mulo	Kava	Jiajia
Nuqa	Kalia	*Kake
Volaca	Koto	Ki
Walu	Kuita	Kaikai
Sabutu	Latinidaveta	**Kabooa
	Mataroko	Kurukoto
<u>Grade 1</u>	Matu	**Lewamatua
Babaloa	Molisa	Lokuca
Cigani	Ose	Matagai
*Dokonivdi	Varivoce	Mr.taba
Kwkaw	Vetakau	Mala
Kav	Volau	** Novu
Kasala	Tuna	** Qio
Kacika	Belenidawa	Qitawa
Lidam	Kolekole	Rewai
Motosa	Sevaseva	** Riutilase
Mama		Salala
<u>Grade 5*</u>		** Vere
Bu		** Vai
	Bubute	** DeatherskIN
Kasiravua	Baba	Viya
Tevulu	* Boila	Vo
Sabutudamu	Busa	Yawa
Utouto	*8 Babale	Yavua
Saqa	** Bakewa	Yatale
	** Biciniieai	Sokisoki
<u>Grade 2</u>	Cumu	Kaikai
*Bati	Gebe	C u c u
Balagi	Draunikura	
Corocoro	** Dabea	
Drekeni	Dridri	
*Donu	Daniva	
*Damu	Davilai	
Dro	Daudra	
Dulutogo	Deke	
Gusubi	** Diria	
Guru		