A Broker: role and function in small pelagic fish marketing in traditional market in Ambon

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Abstract. This research was conducted in Pasar Mardika-Ambon, on June to July 2018. Five of the ten brokers in that market were taken as samples and observed as well as interviewed in depth. The results show that the role of the Brokers in the fresh fish marketing process, especially in that market, which is known as the main traditional market in Ambon is very large. It can be seen from the percentage of fish passing through them. Approximately 90% of the fishermen's catch (especially purse seine) must pass the brokers for further distribution to consumers through retailers. For this job, they will earn 10% of fishermen’s sale, both those distributed to retailers and those sold to Cold Storage. Some fishermen argue that the existence of broker is very helpful in the marketing process, but some fishermen also complain about their presence in the market. When fishermen experience problems and need assistance (money), the broker will immediately reach out to help. The assistance must still be returned by the fishermen but the return time is flexible.

1. Introduction
Maluku consisted of thousand small islands and well known as a thousand islands Province. As its waters area is bigger than land area leads Maluku has abundant fish and fisheries resources that is used for local and national nutrition fulfilment as well income. Fish constitutes more than 50% of protein intake of the community in Maluku and also provides employment opportunities in production, processing, preservation, transportation and marketing areas.

Unlike conventional marketing system of agricultural products, fish marketing is characterized by heterogeneous nature of the product regarding species, size, weight, taste, quality and price. Certain other problems in fish marketing include high perishability and bulkiness of material, high cost of storage and transportation, no guarantee of quality and quantity of commodity, low demand elasticity and high price spread [1]. So far, fish marketing in Maluku has received little attention from public agencies and is mainly handled by the private sector. As a result, there are a large number of intermediaries in the marketing channels, thus reducing the share of fishermen in consumer rupiahs, and contributing to the high retail prices.

Fish marketing in Maluku especially in Ambon is undertaken by five actors in six types of channel. Each actor has specific roles and functions to distribute fish and fisheries products to consumers (market). The fish marketing channels can perform together or only in certain times depend on the fishermen's catch, market conditions and traders’ capital at that time [2]. One of the actors in fish marketing in Ambon is a broker who has important role and function that can be found in Pasar Mardika, the main traditional market in Ambon.
This paper is aimed at describing the role and function of brokers in fish marketing, especially small pelagic fish marketing. It is hoped that this paper could give some description of the marketing system of fish (small pelagic fish) in Ambon as well as role and function of actors, especially brokers in the fish marketing process.

2. Methodology

Method used is survey; an investigation conducted to obtain the facts and symptoms exist, looking for real information both socially and economically, or politically from a group or region by using a questionnaire and personal interview as the main data collection tool [3]. Respondents in this research were the brokers, who selected in randomize. This research was undertaken in Pasar Mardika which is known as a main market in Ambon and located in Sirimau District (Figure 1), in May-July 2018. Data was analyzed by using qualitative descriptive method.

![Figure 1. Research Location](image)

3. Result and Discussion

3.1 Fish Marketing Channel in Ambon

In modern marketing concepts, markets are no longer positioned at the end of the process, but in the beginning of production. By that means, the ultimate goal of a production is markets or consumers. Geographical condition of Maluku which has thousands of small islands leads for its abundant fresh fish. However, characteristics of fresh fish such as seasonal and perishable, added by the distance of production and consumption centre as well as inadequate facilities, resulted in the need of marketing system development.

Marketing distribution channel is a set of organization which depends on each other involved in series of actions to make products or services available for use or consumption. An effective marketing
is required to ensure the availability of fish to the consumers at the right time and place. It means that the relevance of fish marketing is to ensure the flow of fish and fisheries products from the fishermen to the consumers in convenient form, time and place. This involves some other players along the fish distribution channel especially middlemen [4]. According to the [5] marketing is a societal process through which individual and groups obtain what they need and want through creating offering and freely exchanging of products and services of value with others, and according to [6], marketing is a method used to bring the interpersonal forces of demand and supply together irrespective of the location of the market.

Fish marketing system in Maluku is neither efficient nor modern [7] and is mainly carried out by private traders with a number of intermediaries between producers and consumers, thereby reducing the fisherman’s share in consumers. Physical facilities and infrastructure in all types of fish markets are far from satisfactory [8,9]. Some problems in fish marketing include high perishability and bulkiness of material, high heterogeneity in size and weight among species, high cost of storage and transportation, no guarantee of quality and quantity of commodity, low demand elasticity and high price spread [10].

In general, marketing agencies or entities that carry out the marketing function consist of producers, intermediary traders (in the form of individuals), and capital lenders as service providers. Producers are those whose main task is to produce goods, for example fishermen, fish farmers, and processors; while the intermediary traders are those who distribute fish from fishermen to consumers [11].

3.2 Actors in Fish Marketing
Cooperation or partnership between institutions in capture fisheries is a form of working relationship that occurs between two or more parties who share commitment to achieve goals by combining resources and coordinating joint activities [12]. By that means, cooperation or partnership can only be formed if the parties involved have an agreement.

In the fish marketing in Ambon, there are some institutions who share commitment and trust to distribute fish and fisheries products to consumers. Those institutions are fishermen, brokers, collectors and retailers, and they will be discussed as follows.

3.2.1 Fishermen. Maluku in general and Ambon in particular has a large area of sea and it provides a livelihood for a large portion to coastal community who relied on capture fisheries. Recently, the production of capture fisheries has increased and mostly of the catching has high economic value. Fishermen operate at household level and often use family members, close neighbors or relatives as labors. Most fishermen go fishing for about 20-22 days per month and the fishing trip often lasts no longer than a day. As the fishermen go fishing and no guarantee for them to get the result, their catching per trip ranges from nothing to thousand kilograms. By that means, there are some days the fishermen get lots of money, many days they have little money and some days they even have no money.

Fishermen have the most dominant activities among value chain actors because every day the production process is carried out, except in the Non-Fish Season. In terms of employment, fishing activities which include production and distribution of products also absorb the most labor in the small pelagic fish marketing chain. A number of workers who are involved are crews to assist the capture, sorting and unload the catches, transportation and labors to unload the catches from small trucks to markets or Cold Storage.

The fisheries business in Maluku is mostly running in small scale, which means the family members and relatives involved in it, and the sharing system is arranged by informal agreement, simple or even no financial logbook, no differentiate of household and business financial, limited of managerial skills and capital and marketing area. In marketing their products as well as expanding their business, fishermen are very depending on collectors and brokers. In other words, collectors and brokers play important roles in fisheries.
Figure 2 below shows the fish marketing channel as well as actors involved and caught percentage shared among the actors.

The picture shows that there are six kinds of fish marketing channel occurs in Ambon: (1) fishermen > consumers, (2) fishermen > retailers > consumers, (3) fishermen > collectors > retailers > consumers, (4) fishermen > brokers > retailers > consumers, (5) fishermen > brokers > cold storage > retailers > consumers, (6) fishermen > brokers > cold storage > consumers. The fish marketing process can occur simultaneously or only performed at certain times, mostly depending on the catch of the fishermen, market conditions and traders’ capital.

Most of the fishermen catches (90%) are passed through the brokers before delivered to the consumers. The rest of it (10%) is sold directly to the consumers and collectors. When fish is distributed to the market, the responsibility for it has shifted from fishermen to traders.

3.2.2 Middlemen in Fish Marketing. Middlemen are marketing intermediaries that add title to the products and receive fee for expediting the exchange. The middlemen performing the role of marketing are being accused of earning higher profit in the marketing system [13]. Middlemen have various functions in the marketing of products, produce or service. These include, maintaining contact with buyers, negotiate prices, delivery, transfer of title, providing credit or collections, servicing of products and other services, provide inventory and storage and arrange transportation. They are also classified differently by scholars into buying brokers.

In Ambon, when the fishermen of small pelagic fish bring their catching to the market, they supposed not to sell their product directly to consumers but must deliver the fish to middlemen who is mandated to sell the produce to traders and consumers. There are several middlemen who involve in fish marketing in Ambon, namely brokers, collectors and retailers, and all of them play different roles and integrated one another to create smooth fish marketing from fishermen to consumers. Majority of middlemen (except brokers) are women and have been found to be actively in fish marketing in Ambon.

All the brokers in the fish market in Ambon are men and most of them started their jobs since teenagers as fish traders or person who involved in the market activity, such as labors who unload fish from trucks to the market or plastic bags sellers. They are usually in the market since early morning waiting for the fishermen bring their catching to be sold. Collectors can be found in the villages and sometimes are the local community who have strong capital and buy fishermen’s catching in large
quantity, while retailers are sometimes village community who can only buy small amount to sell to the community in the market or by walking from one neighbor village to another (papalele). When the fishermen in the village are unable to get fish, the retailers will go to the main market and wait for fishermen from other villages. Soon the fishermen and their catching arrive in the market, the auction will take place, and the retailers then will buy small amount and sell it to the consumers. In fish season, the collectors can obtain Rp250,000.00 to 350,000.00 and retailers only Rp100,000.00 to 200,000.00 in each day selling, while in no fish season, they can only get half of that or even nothing.

3.2.3 Role and Function of Brokers. Broker in particular and intermediary person in general play important role in fish marketing, moving fish from the fishermen to the final stage of the marketing channel. The specific duty of the brokers is to organize the marketing of fish in the market. For this particular function, he receives 10% from all the distributed fish to retailers. Besides that, the brokers are functioned to offer credit facilities to retailer (who mostly women) for retailing of fish and fishery products and to provide advance loans for purchasing and processing of fish and repairs and maintenance of traditional fishing crafts and gear. A person who received the brokers loans will repay it with small interests.

Brokers’ roles appear mostly in small pelagic fish marketing, but sometimes large pelagic fish marketing is also held by him. About ten brokers in the market and each broker is connected to different fishermen in different areas in Ambon Island. It is because when the fishermen in the north part of Ambon island unable to catching due to bad weather, the fishermen in other part are hoped able to catch. Broker becomes a fisherman’s informant about the market situation and condition. From the broker, fishermen understand whether the fish should be brought to the market or Cold Storage. For that information given and auction undertaken, the broker will get 10% from the amount money fishermen obtained. In the fish season, a broker is able to distribute around 50 plastic pans (diameter 45 cm; height 25 cm) per day to the retailers. If the fish in a plastic pan valued Rp350,000.00, then fishermen will get Rp17,500,000.00 that should be shared for around 20 people (crews), and the broker will get 10% from the amount fishermen obtained or Rp1,750,000.00.

The connection of fishermen and broker has been going on for a long time. A number of fishermen argue that the existence of broker in the market is not needed, but many of them claim that brokers are very helpful. When the fishermen need some money but do not have it, they can easily get it from the brokers. Even though financial institutions such as banks have provided much convenience for fishermen to borrow money at low interest rates, the complicated bureaucracy sometimes makes fishermen refuse to borrow money at the Bank. To borrow money from bank also needs something as a guarantee, and that what fishermen do not have. Many fishermen do not have their own catching facilities such as boats and only borrow from other fishermen with sharing revenue. The low education of fishermen also often makes them not confident to borrow money from the bank and prefer to borrow it from the broker. The money shall be returned according to the specified time.

4. Conclusion
There are six channels in fresh fish marketing Ambon that can occur simultaneously or only performed at certain times, depending mostly on the catch of the fishermen, market conditions and traders’ capital. Broker, one of middlemen in fish marketing plays important role in the marketing of fresh fish, because from the broker, fishermen are able to know the condition of market. For running the fish auction activity and sharing the information about market condition to the fishermen, a broker can get 10% from the fishermen’s revenue. Brokers can also lend fishermen some money when they need, and the money will be returned according to the specified time.

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