Marketing Choices and Determinants of Profit Margins of Artisanal Fishers in Ghana

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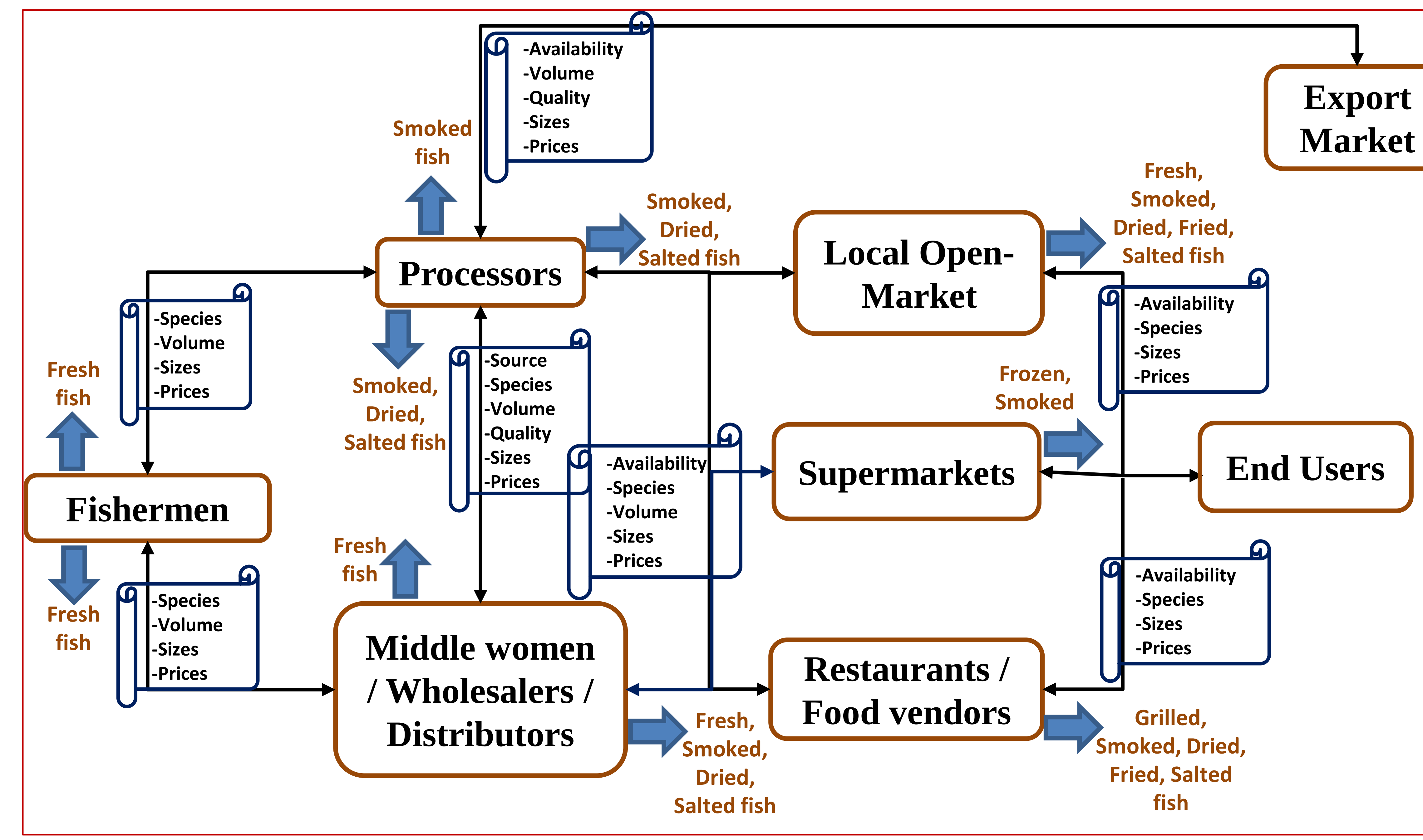
Objectives

- Characterize value chain of artisanal fisheries species
- Assess determinants of % contribution margins (PCM)
- Assess profit margins from alternative marketing agents

Methodology

Data collected from 202 artisanal fishermen at select coastal fishing communities in Ghana



- 3SLS estimation; PCM as dependent variable
- PCM calculated from Total Contribution Margin (TCM), Total Sales Revenue (TSR) & Total Variable Costs (TVC), i.e., TCM = TSR – TVC
- PCM = TCM / TSR

Empirical Question: How much do fish sold through spouse, price, fish type, boat size, gear type, & transaction factors impact contribution margins?

Results

- Fish catch through middle women /wholesalers (68%), processors (23%), and direct sales to retail traders, food vendors, and end users.
- At least 23% of fish is handled by spouses.
- Main transaction is cash.
- Market participants use experience and knowledge to stay competitive.

- The impact of % fish sold through spouse is negative. Perhaps spouses are last resort to sell fish; fishermen control marketing & sales revenues.
- Price & high value fishes negatively impact profit margin but only in minor season; Potential positive effects probably offset by low catch quantities.
- Self-financing & boat size positively impact margins; probably due to lower transactions costs & better fishing efficiencies.
- Effects of gear used, i.e., nets and hook-and-line on profit margins are mixed.

Conclusions

- Economic and investment considerations are driving fishermen's choice of marketing agents.
- As price takers, fishermen explore ways to minimize costs and improve cost & operational efficiencies to enhance profitability.