

A India's Seafood Export in 2016-18

Naveen Kumar. A

MBA, Department of Management Studies
Bharath Institute of Science and Technology,
Selaiyur, Chennai, Tamil Nadu 600 073
Bharath Institute of Higher Education and Research

ABSTRACT

The export of live items has been gaining momentum in the recent years. Of the live items exported, lobster and mud crab command high demand and price in South East Asian countries. The lobsters with 1 to 1.5 kg weight get a price of about Rs 1200-1500 per kg at the landing centres. Similarly sea horse having medicinal value fetches about Rs 75 per piece of 10-14 cm length. Sea cucumbers of high quality command a local price of Rs 400 per kg. The by-products of marine fishing industry can be scientifically utilized to provide better returns to fishermen. Prawn shells and head wastes thrown out from processing industries is estimated at 50,000-60,000 tonnes annually. The fish marketing in India is gradually transforming from traditional to modern system. In spite of this the involvement of a large number of middlemen affects the interests of both the fishermen and consumers. Hence, proper provisions should be made in the fish marketing policy to reduce the impact of middle-men. Announcement of suitable support prices for commercially important fish varieties will safeguard the fishermen as well as the consumers. Encouraging local fishermen to form cooperative fish marketing societies may be thought of. Considering the importance of sea food as a potential foreign exchange earner and a supplementary protein diet for the vast majority of domestic population more emphasis need to be laid on fish marketing strategies for the development of fishery sector in India.

1. INTRODUCTION

Seafood export in India is over 50 years old. Indian seafood Industry has come a long way; shipping seafood products to more than 100 countries. Today Indian factories have grown to have world class facilities, with better quality control; meeting the stringent international norms. On the other hand, International Seafood trade has been changing over the years; last decade had seen significant changes in the 'supply', 'demand' and 'International trade norms'; due to the compulsions from the importing countries. International seafood industry is caught between; increased demand for seafood due to 'diet diversification', and 'over supply' of fish production. This increase in supply and demand has created various environmental issues, like decline in world catch and over exploitation; creating long term threat to the world. Since 1990s, three issues dominated Indian export scene: decline in overall catches particularly shrimp; fluctuations in international markets depressing prices and profitability and over capitalization of the production and marketing activities increasing risk. The global seafood market is a complex system of trade and sustainability issue. Today there is need for the global seafood industry to balance 'fisheries resources', 'global processing capabilities' and the 'increased global consumption' in a more sustainable way. Indian seafood processing units being a part of the global supply chain need to be a responsible global supplier in providing sustainable seafood while competing with other supplying countries in the global trade competition.

2. MATERIAL AND METHOD

For the purpose of the survey, 60 companies from different seafood zones were requested to participate in the survey. The participating companies completed a questionnaire providing view on the opportunities and challenges facing Indian seafood Industry on the global seafood platform. Participation in the survey was excellent with 38 companies of the 60 companies covering all the seafood zones. More importantly the size and scale of the 38 companies participating in the survey was such that they represented all the range of seafood companies in India. The companies participated in the survey are operating in a varied product range exporting various international markets, ensuring that the survey results are of high quality and show a representative picture of the contribution of this exporters. Survey was answered by the Top management of the company who has the access to all the stake holders of the seafood industry in India.

MPEDA

The Marine Products Export Development Authority (MPEDA) was set up by an act of Parliament during 1972. The erstwhile Marine Products Export Promotion Council established by the Government of India in September 1961 was converged in to MPEDA on 24th August 1972. MPEDA is given the mandate to promote the marine products industry with special reference to exports from the country. It is envisaged that this organisation would take all actions to develop and augment the resources required for promoting the exports of “all varieties of fishery products known commercially as shrimp, prawn, lobster, crab, fish, shell-fish, other aquatic animals or plants or part thereof and any other products which the authority may, by notification in the Gazette of India, declare to be marine products for the purposes of (the) Act”. The Act empowers MPEDA to regulate exports of marine products and take all measures required for ensuring sustained, quality seafood exports from the country. MPEDA is given the authority to prescribe for itself any matters which the future might require for protecting and augmenting the seafood exports from the country. It is also empowered to carry out inspection of marine products, its raw material, fixing standards, specifications, and training as well as take all necessary steps for marketing the seafood overseas.

MPEDA is the nodal agency for the holistic development of seafood industry in India to realise its full export potential as a nodal agency. Based on the recommendations of MPEDA, Government of India notified new standards for fishing vessels, storage premises, processing plants and conveyances. MPEDA's focus is mainly on Market Promotion, Capture Fisheries, Culture Fisheries, Processing Infrastructure & Value addition, Quality Control, Research and Development.

FUNCTIONS OF MPEDA

- Registration of infrastructural facilities for seafood export trade.
- Collection and dissemination of trade information.
- Promotion of Indian marine products in overseas markets.
- Implementation of schemes vital to the industry by extending assistance for infrastructure development for better preservation and modernised processing following quality regime.
- Promotion of aquaculture for augmenting export production through hatchery development, new farm development, diversification of species and up gradation of technology
- Promotion of deep-sea fishing projects through test fishing, joint ventures and up gradation & installation of equipments to increase the efficiency of fishing.
- Market promotional activities and publicity.

- To carry out inspection of marine products, its raw material, fixing standards and specifications, training, regulating as well as to take all necessary steps for maintaining the quality of seafood that are marketed overseas.
- Impart trainings to fishermen, fish processing workers, aquaculture farmers and other stake holders in the respective fields related to fisheries.
- Conduct research and development for the aquaculture of aquatic species having export potential through Rajiv Gandhi Centre for Aquaculture (RGCA).
- Conduct extension and awareness activities, trainings etc through Network for Fish Quality Management and Sustainable Fishing (NETFISH) & National Centre for Sustainable Aquaculture (NCSA).
- To prescribe for itself any matters required for protecting and augmenting the seafood exports from the country in the future.

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Registration of Exporters, Fishing Vessels and other Processing entities is one of the statutory functions of MPEDA under Section 9(2) (b) and (h) of the MPEDA Act 1972. Registration as an exporter is granted under section 9(2) (h) of Marine Products Export Development Authority (MPEDA) Act 1972 read with rules 40-42 of MPEDA Rules, 1972. Registration is done for the following categories viz. Manufacturer Exporter, Merchant , Route through Merchant & Ornamental Fish Exporter and also for entities such as Fishing Vessels, Processing Plants, Storage Premises, Conveyance, Pre-Processing Centres, Live Fish Handling Centre, Chilled Fish Handling Centre, Dried Fish Handling Centre, Independent Cold Storages And ice plants.

STRENGTH OF INDIAN SEAFOOD ANALYSIS

India is second major producer of aquaculture in the world producing 7 per cent of the world output . Aquaculture sector of the country witnessed boom with increased production of *P.monodon* and *L.vannamei* .Indian quality has been broadly accepted in the International market. During the financial year 2014 – 15, exports of marine products reached an all time high of USD 5511.12 million.MPEDA ensures exporters facilities are able to comply with international standards .India has wide varieties of species landing in both west and East coast. West coast contributed 67 per cent and East coast at 33 per cent of total marine fish landing. Marine fisheries landings increased from 3.73 lakh tonnes in 1947-48 to 3.32 million tonnes in 2010 . Subsidies and other assistance played a crucial catalytic role in the development of the export sector . Indian Government through MPEDA has provided various subsidies in the form of financial assistance for ‘setting cold stores’, purchase refrigerated trucks’, ‘seafood units up gradation’, ‘purchase antibiotic testing kit’, ‘insurance coverage for worker’ etc . Exporters receive assistance for promoting exports, hygiene and sanitation, research and development, and acquisition of machinery. India has increased the quality of storages, road and transportation and availability of public cold stores, shipment connectivity and the Shipping Port infrastructure facilities which are mostly oriented toward the export market. Even though export supply chain is well developed with good storage processing and transport infrastructure when compared to the domestic marketing system it is nowhere comparable with that of developed countries .

WEAKNESS OF INDIAN SEAFOOD INDUSTRY ANALYSIS

EIA has made mandatory testing for Pre shipment testing of aquaculture shrimp for chemical residue which often delays the shipment affecting the profitability of the exporters. Nobody can predict how much time it will take to get the report from EIA lab, which already understaffed. However situation has improved now with the arrival of new EIA labs. The establishment cost of a

processing plant increased considerably over the years due to stringent quality standards set by International trade. The high purchase prices of the exportable species and other operating expenses like labour cost, water and electricity charges caused the cost of production to . Indian exporters are unable to charge higher prices in spite of rising costs of fuel, labour, maintenance and basic necessities . Wastage and the cost of compliance will be substantially reduced with adequate training of fishermen and a minimum infrastructure at the beginning of the chain . International fluctuation in seafood markets has catastrophic consequence on everybody down the line . Major buyers like US, EU and Japan are affected with severe recession related economic recession, export sector grappled with continued trade impediments. Price uncertainties in importing countries lead to additional cost of storage and material getting delayed in shipment and increased demurrage . Liberalization of market economy provided employment including skilled, semi skilled and unskilled jobs as a result labour is becoming more expensive and often not available, rising wage cost reflects improvement in income opportunities, rigorous analysis is still awaited. Fishing harbor is a point of convergence of fish, people, and fishing technology, proper functioning of a fishing harbor are crucial . The first stage of hygiene starts at providing clean ice to fishermen. Many port ice-factories are very unhygienic. Preprocessing activities generally involved beheading and peeling. Peeling shed industry is an important source of employment in Kerala . Absence of quality control at primary production centres often results in poor quality of the products . Due to the seafood legislation brought about by the EU and the USFDA in later 1990s number of peeling shed declined from 924 to 576 between 1990 and 2000 .

VISION FOR INDIAN EXPORTS

- Exports to increase to atleast 2 Million Mt by 2015.
- Value of exports to increase to US\$ 4 Billion in 2012 and US\$ 6 Billion by 2015
- Marine products to retain a share of 2.5% in India's total exports.

EXPORTS OF INDIAN MARINE PRODUCTS

Farmers of Tamil Nadu. The US continues to be a bulk importer, and both vannamei and black tiger shrimp are exported in large quantities. However, Japan prefers black tiger, as it looks for taste and quality-based imports. Exports to Japan are mainly sourced from aquaculture farms in West Bengal, Orissa and upper Andhra Pradesh — the home ground for black tiger shrimp in India. The export growth has been backed by a significant growth in volume and unit value realisation. This was more pronounced for shrimp exports compared to other seafood items. With the increasing dominance of countries of South East Asia in the export destinations, new items have also been added to the export basket. Mackerel exports to Thailand last year have been huge. And the prices have been handsome. Ribbon fish which used to command a price of less than one dollar in the global markets has now grown over three fold to above three dollars.

All aquaculture products exported from India are accompanied by analytical test reports on the absence of of chloramphenicol, tetracycline, oxytetracycline, chlorotetracycline and metabolites of nitro furan, or that they are at permitted levels.

INDIAN GOVERNMENT'S INITIATIVE TO BOOST EXPORTS

The Union government is considering granting agriculture status to the seafood industry. The proposal is now under consideration of the ministry of agriculture. The seafood sector has an industry status and is under the control of the ministry of commerce.

At least one million MT of imported raw materials to be processed for exports in 2012.

Seafood India - below find fish & seafood companies in India. This list shows the company name and summary of their products and activities. Indian Seafood companies listed include seafood exporters & sellers, seafood buyers & importers, fish processors, fish producers, aquaculture fish farms, seafood wholesalers & distributors, seafood buyers agents and fish traders etc.

Riding on a robust demand for its frozen shrimp and frozen fish in international markets, India exported 11,34,948 MT of seafood worth an all time high of US\$ 5.78 billion (Rs 37, 870.90 crore) in 2016-17 as against 9,45,892 tons and 4.69 billion dollars a year earlier, with USA and South East Asia continuing to be the major importers while the demand from the European Union (EU) grew substantially during the period.

Frozen shrimp maintained its position as the top item of export, accounting for 38.28 per cent in quantity and 64.50 per cent of the total earnings in dollar terms. Shrimp exports increased by 16.21 per cent in terms of quantity and 20.33 per cent in dollar terms. Frozen Fish was the second largest export item, accounting for a share of 26.15 per cent in quantity and 11.64 per cent in dollar earnings, registering a growth of 26.92 per cent in terms of value.

USA imported 1,88,617 MT of Indian seafood, accounting for 29.98 per cent in terms of dollar. Export to that country registered a growth of 22.72 per cent, 33 per cent and 29.82 per cent in terms of quantity, value in rupee and US dollars, respectively. South East Asia remained the second largest destination of India's marine products, with a share of 29.91 per cent in dollar terms, followed by the EU (17.98 per cent), Japan (6.83 per cent), the Middle East (4.78 per cent), China (3.50 per cent) and other countries (7.03 per cent). Overall, exports to South East Asia increased by 47.41 per cent in quantity, 52.84 per cent in rupee value and 49.90 per cent in dollar earnings.

Increased production of L. Vannamei, diversification of aquaculture species, sustained measures to ensure quality, and increase in infrastructure facilities for production of value added products were largely responsible for India's positive growth in exports of seafood," said Mrs. Nirmala Sitharaman, Minister for Commerce and Industry.

The overall export of shrimp during 2016-17 was pegged at 4, 34,484 MT worth USD 3,726.36 million. USA was the largest import market for frozen shrimp (1, 65,827 MT), followed by the EU (77,178 MT), South East Asia (1, 05,763 MT), Japan (31,284 MT), Middle East (19,554 MT), China (7818 MT) and other countries (27,063 MT).

The export of Vannamei shrimp, a major seafood delicacy, improved from 2, 56,699 MT to 3,29,766 MT in 2016-17, registering a growth of 28.46 per cent in quantity. In value terms, 49.55 per cent of total Vannamei shrimp was exported to USA followed by 23.28 per cent to South East Asian countries, 13.17 per cent to the EU, 4.53 per cent to Japan, 3.02 per cent to the Middle East and 1.35 per cent to China.

Japan was the major market for Black Tiger shrimp with a share of 43.84 per cent in terms of value, followed by USA (23.44) and South East Asia (11.33). Frozen shrimp continued to be the principal export item to USA with a share of 94.77 per cent in dollar value while Vannamei shrimp to that country showed an increase of 25.60 per cent in quantity and 31.75 per cent in dollar terms.

Vietnam, with a share of 76.57 per cent in value (US dollar), was the major South East Asian market for Indian marine products, followed by Thailand (12.93 per cent), Taiwan (3.88 per cent), Malaysia (2.60 per cent), Singapore (2.21 per cent), South Korea (1.50 per cent) and other countries (0.30 per cent). Vietnam alone imported 3, 18,171 MT of Indian seafood, the quantity being much more than that of any other individual markets like US, Japan or China.

The EU continued to be the third largest destination for Indian marine products with a share of 16.73 per cent in quantity. Frozen shrimp was the major item of exports, accounting for 40.66 per cent in quantity and 55.15 per cent in dollar earnings out of the total exports to the EU. Exports of Vannamei shrimp to the EU improved by 9.76 per cent in quantity and 11.40 per cent in dollar value.

Japan, the fourth largest destination for Indian seafood, accounted for 6.83 per cent in earnings and 6.08 per cent in quantity terms. Frozen shrimp continued to be the major item of exports to Japan with a share of 45.31 per cent in quantity and 77.29 per cent in value out of the total exports to that country.

Besides frozen shrimp and frozen fish, India's other major seafood product was frozen squid, which recorded a growth of 21.50 per cent, 59.44 per cent and 57 per cent in terms of quantity, rupee value and dollar earnings, respectively. Export of frozen cuttlefish showed a decline in quantity terms, but increased in the rupee value and dollar terms by 18.85 per cent and 16.95 per cent, respectively.

Dried items registered a growth of 40.98%, 20.14% & 79.05% in terms of quantity, rupee value and dollar terms, respectively. Indian ports handled a total marine cargo of 11,34,948 tons worth Rs 37,870.90 crore (5,777.61 million dollars) in 2016-17 as compared to 9,45,892 tons worth Rs 30,420.83 crore (4,687.94 million dollars) in 2015-16. Vizag, Kochi, Kolkata, Pipavav and Jawaharlal Nehru Port (JNP) were major ports that handled the marine cargo during 2016-17. Exports improved from Vizag, Kochi, Kolkata, Pipavav, JNP, Krishnapatanam and Tuticorin as compared to 2015-16.

Vizag port exported 1,59,973 tons of marine cargo worth Rs 9,294.31 crore (1,401.94 million US dollars) in 2016-17 as compared to 1,28,718 tons worth Rs 7,161 crore (1,105.76 million dollars) in 2015-16. Vizag port was followed by Kochi (1,55,989 tons, Rs 4,447.05 crore), Kolkata (1,04,668 tons, Rs 4,451.67 crore), Pipavav (2,32,391 tons, Rs 4,217.45 crore), JNP (1,49,914 tons, Rs 4,084.96 crore), Krishnapatanam (62,049 tons, Rs 3,701.63 crore), Tuticorin (42,026 tons, Rs 2,220.52 crore), and Chennai (37,305 tons, 1,693.87 crore).

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