



INDIAN AQUACULTURE SECTOR ANALYSIS

March - 2024



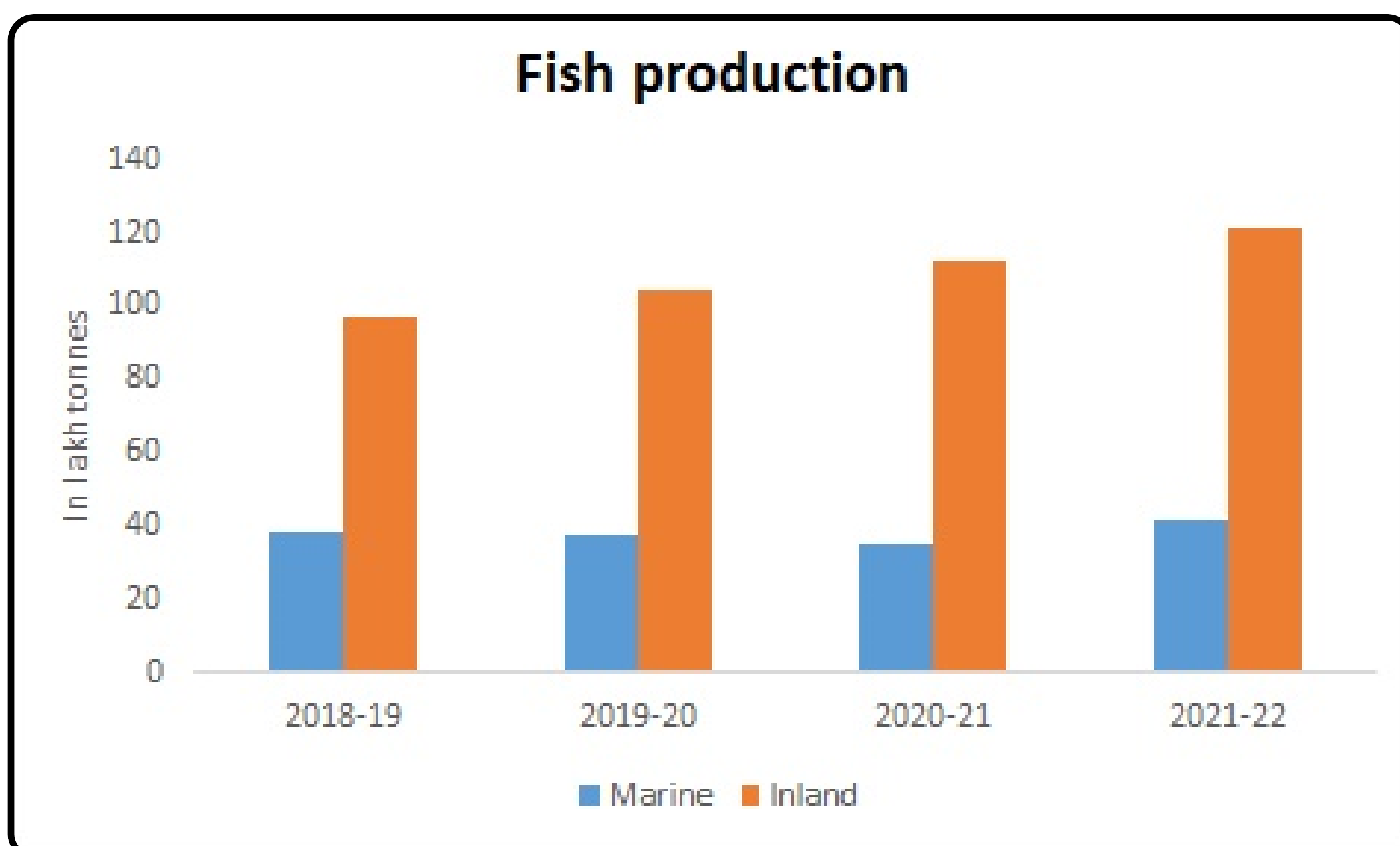
India is the world's 3rd largest fish producer, 2nd largest aquaculture producer and 4th largest exporter of fish and fisheries products. The fisheries sector contributes to the national income, exports, food and nutritional security and employment generation. India is also an important country that produces fish through aquaculture in the world. The fishing sector is essential to India's economy and has traditionally been a substantial source of foreign exchange gains since it is one of the top exporters of seafood in the world. India's aquaculture production basically can be classified into freshwater and brackish water production. Some of the important species cultured in India are the Indian major carps and shrimp. The demand for fish and seafood has been on the rise. Thus, the Indian government has implemented various schemes and initiatives to promote and support this vital sector. The Blue Revolution in India demonstrated importance of Fisheries and Aquaculture sector.

The fisheries sector in India has shown a sustained annual average growth rate of 8.61% for the 8-year period from 2014-15 to 2021-22 (at constant prices). During eight-year period from 2014-15 to 2021-22, the Gross Value Added (GVA) of fisheries sector has increased from Rs 76,487 crore in 2013-14 to Rs 1,47,518.87 crore (at constant prices) and from Rs 98,189.64 crore in 2013-14 to Rs 2,88,526.19 crore in 2021-22 (at current prices). The sector contributes 1.06% in the National GVA and 6.86% in Agriculture GVA. In fact, the contribution of fisheries Sector in National GVA has increased from 0.84% at the end of 2013-14 to 1.07% at the end of 2021-22 (at constant prices) and in Agriculture GVA, the contribution of fisheries sector has increased by 44.42% from 4.75% at the end of 2013-14 to 6.86% at the end of in 2021-22 (at constant prices).

FISH PRODUCTION

Fish production in India in 2021-22 stood at 162.48 lakh tonnes (LT) as compared to 147.25 LT in 2020-21, i.e up by 10.34%. In 2021-22, inland fish production stood at 121.21 LT, while marine fish production stood at 41.27 LT. The inland fish production in the country, during last five years, witnessed the annual growth of 7.94% and registered the highest inland fish production of 131.13 LT in 2022-23.

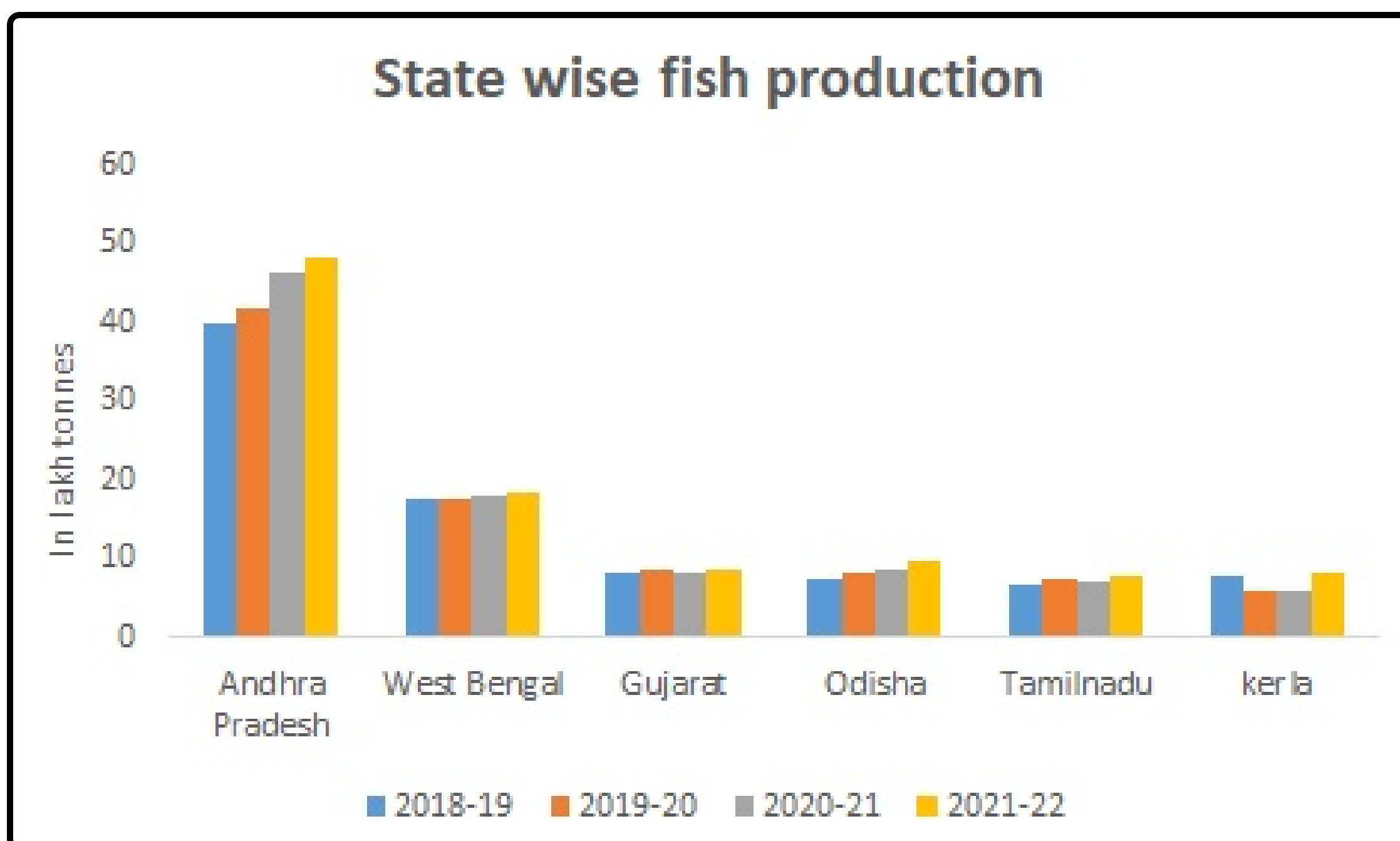
The Pradhan Mantri Matsya Sampada Yojana (PMMSY) implemented by the Department of Fisheries, Government of India inter-alia aims enhancement of fish production and productivity and the steps taken to boost inland fisheries and aquaculture production primarily include support for expansion of aquaculture, intensification, diversification of species, introduction of high yielding species, infusion of technology such as Re-circulatory Aquaculture System (RAS), Biofloc and Cage culture. Thrust is also given for supply of quality and disease free fish seeds through establishment of quality brood banks, hatcheries, seed rearing units, fish disease and fish farms water quality management, supply of quality feed, training and skill development to fish farmers. Under PMMSY, during last three financial years (2020-21 to 2022-23) and current financial year (2023-24), projects worth Rs 7263.67 crore have been approved for the development of the inland fisheries and aquaculture sector primarily aiming towards enhancement of fish production, creation of employment opportunities and income to fishers, fish farmers and other stakeholders.



STATE WISE FISH PRODUCTION

India mainly has eight major fish producing states i.e. Andhra Pradesh, West Bengal, Gujarat, Odisha, Tamilnadu, kerla, Karnatka and Maharashtra. Andhra Pradesh is the largest producer of fish in India. Andhra Pradesh's total fish production in 2021-22 stood at 48.13 lakh tonnes followed by West Bengal 18.43 lakh tonnes, Odisha 9.9 lakh tonnes.

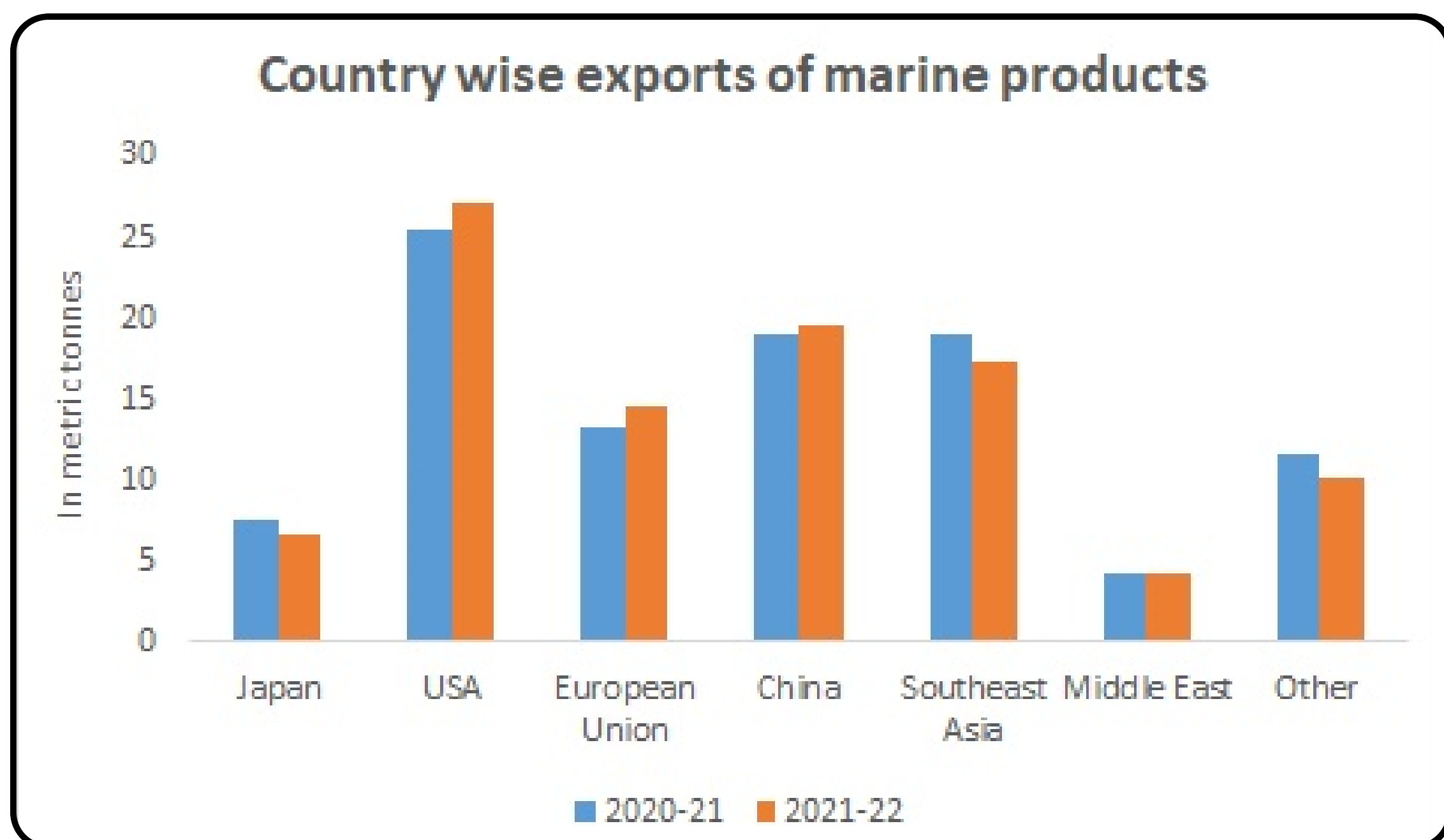
The Inland fish production in North Eastern States recorded an average annual growth rate of 5.38% during last nine years i.e. from 2014-15 to 2022-23. The total fish production in the North Eastern States increased from 4.03 lakh tonnes in 2014-15 to highest production of 6.04 lakh tonnes during FY 2022-23. North Eastern States includes Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.



COUNTRY WISE EXPORTS OF MARINE PRODUCTS

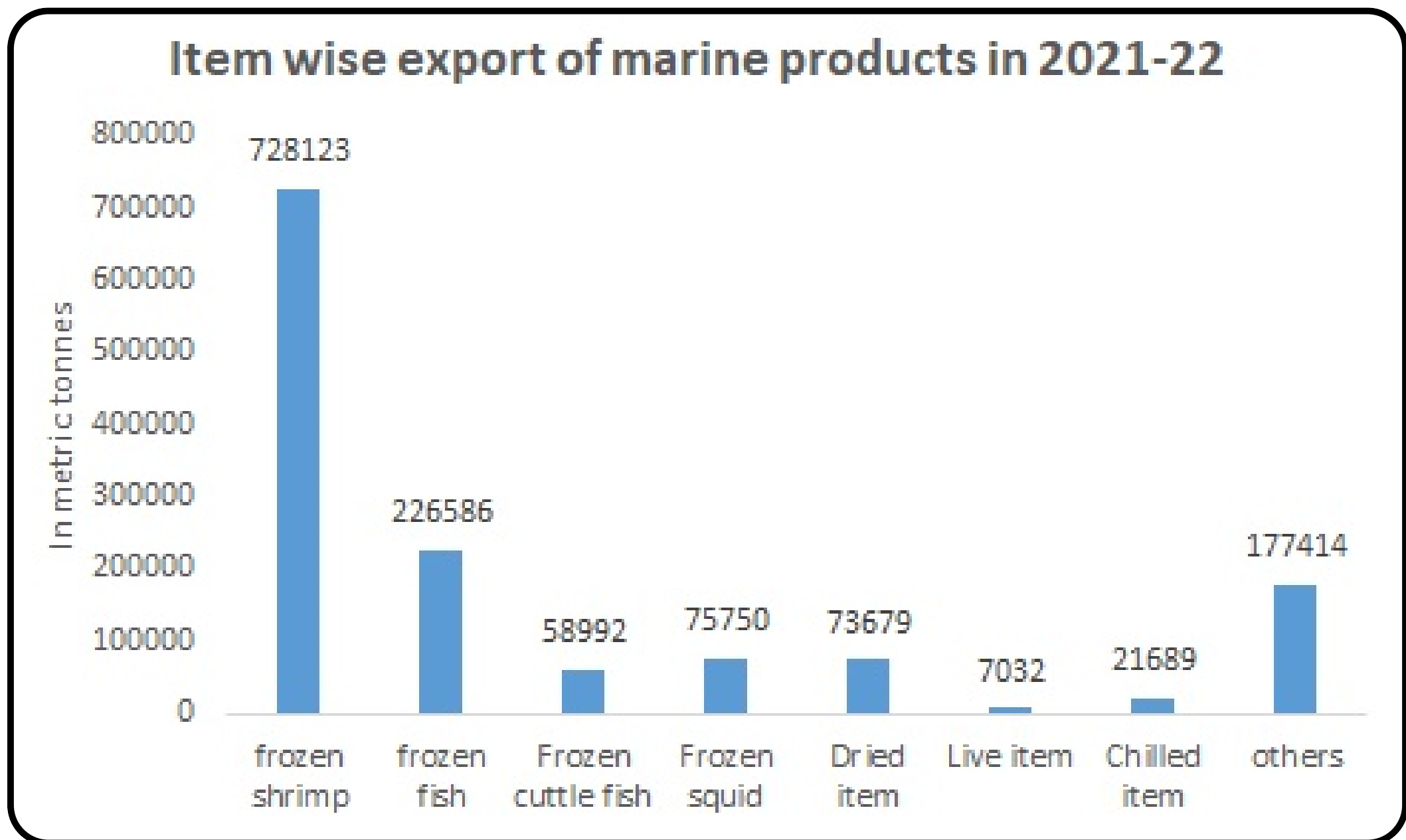
India is among the top five fish exporting countries in the world. In 2021-22, the country had exported 99.51 metric tonnes marine products. This was decreases of 0.49% over previous year. India mainly exports fish and fish products primarily to Japan, USA, European Union, China, Southeast Asia and Middle East.

In 2021-22, USA remained the largest import of Indian seafood in the terms of Quantity and Value. Exports to the USA in term of quantity stood at 27.21 metric tonnes, while in value term was Rs 42.72 crore. China become second largest export market from India. Exports to China stood at 19.5 metric tonnes and in value term was Rs 15.73 crore. Southeast Asia is a third largest importer of Indian seafood. In order to encourage domestic shipbuilding and to provide a level playing field vis-a-vis foreign shipyards, the Government has approved the Shipbuilding Financial Assistance Policy (SBFAP) for Indian Shipyards on December 09, 2015 for 10 years (contracts secured from April 01, 2016 to March 31, 2026) with a budget of Rs 4000 crore.



ITEM WISE EXPORTS OF MARINE PRODUCTS

Frozen shrimp remained the major export item in terms of quantity and value. Exports of Frozen shrimp stood at 728123 metric tonnes (MT) and earned Rs 42706.04 crore in 2021-22. Frozen fish is the second largest export item, the export of Frozen fish stood at 226586 MT and earned Rs 3471.91 crore during same period. Frozen squid, the third largest export basket pegged at 75750 MT and earned Rs 2806.09 crore.



SCHEME ANNOUNCED BY GOVERNMENT IN BUDGET

In the interim budget 2024-25, department of fisheries has been allocated an amount of Rs 2584.50 crore for financial year 2024-25 which is highest ever annual allocation to the Department of fisheries. The budgetary allocation is 15% higher than the current financial year. The budget allocated is one of the highest ever annual budgetary support for the Department. The expenditure towards fisheries sector since first five-year plan to 2013-14 was only Rs 3680.93 crore however, since 2014-15 to 2023-24 an amount of Rs 6378 crore has already been released for various fisheries developmental activities in the country. The targeted investment in last nine years in the sector is more than Rs 38572 crore, which is highest ever investment in this sunrise sector.

The Central government will launch a sub-scheme of PM Matsya Sampada Yojana with a targeted investment of Rs 6,000 crore over a period of next four years from FY 2023-24 to FY 2026-27 in all States/Union Territories to further enable activities of fishermen, fish vendors, and micro and small enterprises, to improve the value chain efficiency, and expand the market. Implementation of Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be stepped up to enhance aquaculture productivity from existing 3 to 5 tonnes per hectare, double exports to 1 lakh crore, and generate 55 lakh employment opportunities in the future. Five integrated aquaparks will be set up. The Pradhan Mantri Matsya Sampada Yojana (PMMSY) is an initiative launched by the Central government in September 2020. The PMMSY is an umbrella scheme that is classified into two separate segments - Central Sector Scheme (CS) and Centrally Sponsored Scheme (CSS). Central government planned to launch Blue economy 2.0. Further, the government has also laid stressed on creation of primary cooperative societies including fisheries cooperatives at panchayat level.

- **PRADHAN MANTRI MATSYA KISAN SAMRIDHI SAH-YOJANA:**

PM-MKSSY envisages focussed intervention to bring about formalization of the fisheries sector and this includes digital inclusion, facilitating access to institutional finance for capital investment and working capital, incentives to bring about system and institutions to reduce risk in aquaculture and fisheries incentivizing microenterprises operating in fisheries and aquaculture sector to work on value-chain efficiencies, incentivizing micro and small enterprises to establish supply chains for delivery of safe fish products to consumers, thereby expanding the domestic market and incentives for creation and maintenance of jobs for women in the sector.

- **CREATION OF PRIMARY COOPERATIVE SOCIETIES:**

Formation of co-operative societies at grass root level will formalise the sector and will empower fishers and fish farmers to carry out fish production and its post-harvest activities in an organised manner. With Rs 900 crore allocation for the Ministry of Cooperation for development of cooperatives, enhanced limits for loans, TDS limits and cash deposits and steps to be taken for building the national co-operative database are expected to make operations and financing easier for co-operatives in the sector and help the sector to grow faster. The establishment of National Co-operative Export Society, National Co-operative Society for Organic Products and National Level Multi-State Seed Co-operative Society are expected to support the fisheries in the areas of seed and marketing.

- **REDUCTION IMPORT DUTY ON CERTAIN INPUTS REQUIRED FOR SHRIMP FEED:**

The announcement to reduce import duty on certain inputs required for shrimp feed is expected to lower the cost of imports and the cost of production and as a result will boost and promote aquaculture exports. Reduction in basic customs duty on fish meal from 15% to 5%, on krill meal from 15% to 5%, on algal Prime (flour) from 30% to 15%, on fish lipid oil from 30% to 15% and on mineral and vitamin premixes from 15% to 5% for manufacturing of aquatic feed is expected to reduce cost of feed, promote domestic feed including and to substantially improve export competitive of Indian shrimps.

- **ANNOUNCEMENT OF 3 CENTRES OF EXCELLENCE IN INDIA:**

Announcement of 3 Centres of Excellence in India for artificial intelligence is expected to galvanise the AI ecosystem in India and it offers great scope for improvement in fish marketing systems and for increased value realisation through accelerated implementation of block-chain based solution for traceability and quality.

- **BLUE ECONOMY 2.0:**

Blue Economy 2.0 scheme will focus on the expansion of coastal aquaculture and mariculture, which play a vital role in meeting the growing demand for seafood while reducing pressure on wild fish stocks. By promoting sustainable aquaculture practices and integrating them with other sectors such as tourism and renewable energy, the scheme aims to create economic opportunities for coastal communities while ensuring the long-term viability of marine resources.

GOVERNMENT INITIATIVES

Department of Fisheries, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India has taken various initiatives and programs to boost fish production in India which includes:

- **PMMSY SCHEME:**

Implementation of flagship scheme 'Pradhan Mantri Matsya Sampada Yojana - A scheme to bring about Blue Revolution through sustainable and responsible development of fisheries sector in India' with an investment of Rs 20,050 crore for a period of five years with effect from the financial year 2020-21 to 2024-25 covering all the States\UTs.

- **IMPLEMENTATION OF FIDF:**

Implementation of the Fisheries and Aquaculture Infrastructure Development Fund (FIDF) with a total fund size of Rs 7522.48 crore implemented for a period of 5 years from 2018-19 to 2023-24 for providing concessional finance to various end implementing agencies including State Governments/UTs for creation of fisheries infrastructure facilities and fisheries infrastructure projects worth of Rs 5588.63 crore have been approved under this scheme.

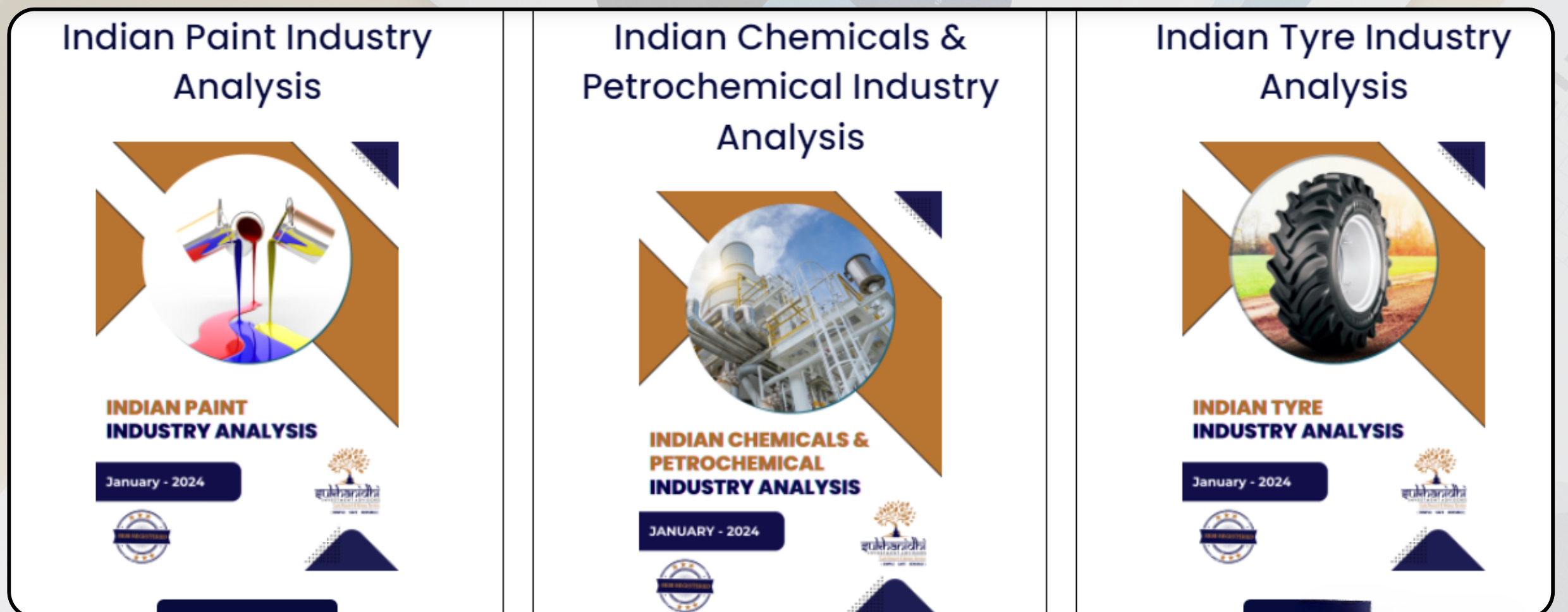
- **SAGAR PARIKRAMA:**

Government's Sagar Parikrama is an evolutionary journey envisaged in the sea across the coastal belt aiming to resolve the issues of the fishermen and other stakeholders and facilitate their economic upliftment through various government schemes and programs, including PMMSY (Pradhan Mantri Matsya Sampada Yojana) and KCC (Kisan Credit Card).

OUTLOOK

The fishery sector has immense potential to grow in the coming time as government has released various fisheries developmental activities. The Government's focus on sub-scheme of PM Matsya Sampada Yojana will improve the value chain efficiency, and expand the market. Besides, the government has allocated an amount of Rs 2584.50 crore for financial year 2024-25 to support the industry. The budgetary allocation is 15% higher than the current financial year. Central government planned to launch Blue economy 2.0, which is likely to boost the sector and will have positive impact on many fishers and fish farmers in long term.

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