



NATIONAL PLATFORM FOR SMALL SCALE FISHWORKERS

Memo No. NPSSF/Convener – 38/2024

September 6, 2024

Shri Rajiv Ranjan Singh.
Hon'ble Minister,
Ministry of Fisheries, Animal Husbandry and Fisheries,
Government of India.

Sub: Concerns and suggestions on Fisheries Export Promotion.

Respected Sir,
Greetings from the National Platform for Small Scale Fish Workers (NPSSF).

We are thankful to the Department of Fisheries, Government of India for inviting us to the one-day stakeholders meet on "Fisheries Export Promotion" on 6th September 2024 at Vishakhapatnam, Andhra Pradesh.

This is a request to **promote sustainable fish and fish products production based on small scale fisheries in place of ecologically harmful intensive aquaculture.**

Summary of India's seafood exports

India's seafood exports touched an all-time high in volume during the financial year 2023-24 despite various challenges in significant export markets. India shipped 17,81,602 MT of seafood worth ₹60,523.89 crore (US\$7.38 billion) during 2023-24. Frozen shrimp remained the major export item in quantity and value. Frozen shrimp, which earned ₹40,013.54 crore (US\$4881.27million), retained its position as the top item in the seafood export basket, accounting for a share of 40.19% in quantity and 66.12% of the total dollar earnings. Shrimp exports during the period increased by 0.69% in quantity terms. (PIB release dt. 19.06.2024).

Since there has been a ban on wild-caught shrimp to India's main export market, the United States, since 2019, exports of shrimp are mainly through the production route of intensive aquaculture. The dominant farmed species in India is the exotic Pacific White Shrimp, and because of the imported broodstock, Black Tiger Prawn is seeing a revival in production. While America and China remain India's main shrimp markets, there are ongoing efforts by the Indian government to diversify the export markets, including through bi- and multilateral trade agreement. The east coast of India, particularly the states of Andhra Pradesh, Tamil Nadu and West Bengal farm, process and export the majority of Indian farm shrimp; however, Gujarat on the west coast, and the inland states of Punjab and Haryana are also taking up intensive shrimp production in a big way.

With the amendment to the Coastal Aquaculture Bill, export promotion is also happening through the cage culture of certain finfishes like golden pompano and cobia. At this point in time however, the contribution to the export basket is negligible. The recent policy directions taken by the government with regards to the reducing in import duties of key shrimp feed ingredients and a dedicated budget allocation for the development of shrimp nauplii rearing centres, along with the spread to shrimp production in inland lands and waterbodies, indicates that the thrust on fisheries exports remains on shrimp through intensive aquaculture.

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Concerns regarding intensive aquaculture

The larger concerns regarding the environment, ecology and natural resources of our country on the one hand and the livelihood of millions of small-scale fish workers on the other impels us to put before you the following concerns:

- **Land-use change:** A study shows that from 1988 to 2013, the area under aquaculture grew by 879%, which brought tremendous changes in the coastal land use pattern. Mangrove and agriculture lands have been used for 5.04 % and 28.10 % of the aquaculture growth. Mudflats, scrublands, saltpan, and waterbodies have contributed to 51.65 %, 1.76 %, 1.73 % and 2.37 % of the aquaculture area expansion respectively. [*Impact of shrimp aquaculture development on important ecosystems in India*, published in *Global Environmental Change*, vol-2, September 2018]. These numbers are likely an underestimate of the amount of land-use change that has been undertaken, particularly since the rise in production of Pacific White Shrimp has come after the study period. During this period, the overwhelming majority of shrimp production has been undertaken on former paddy lands, indicating a vast conversion of fertile agrarian belts into saline aquaculture.
- **Resource-intensity:** India's shrimp industry is almost entirely export-oriented and not only that, but its production is also mostly from intensive aquaculture. Intensive aquaculture, by its very function, requires for a separation to be created between the exotic pond and the natural environments during the period of production. Following the production cycle however, the nutrient load of the shrimp ponds is discharged into the nearby common water sources. Intensive aquaculture requires the maintenance of high Dissolved Oxygen levels, and the restriction of low Nitrogen loads to produce healthy shrimp, which means that the health of the shrimp *inside* the pond are reliant on the discharge of nutrient loads *outside* the ponds. The discharge necessarily entails pollution of sea and surface water because the effluents are released in the watershed, salinity ingress in ground water as large areas are turned into brackish water shrimp ponds, salinization of soil, encroachment on mudflats and coastal lands. The result is massive degradation of ecology, decimation of mangrove cover, reduction of fish stock in near shore areas and obstructions to the small-scale fish workers' access to coastal land and waters. This is selling out our environment and devastating our natural resources to feed foreign countries with a luxury food like shrimp. In the process the livelihood of millions of small, scale fish workers are threatened. Shrimp farming has *de facto* been associated with increased inequity, resource appropriation, and resource use conflict.
- **Reliance on input subsidies:** The major dependence of our fisheries export on shrimp makes it necessary for us to note that overall shrimp exports during January-June 2023 were at 325 270 tonnes, it was 2.72 percent lower than the same period in 2022. Exports of raw frozen shrimp (shell-on and peeled) remained almost the same as last year's level (296 700 tonnes) from India but declined significantly for processed shrimp (-30 percent at 22 100 tonnes) due to tumbling demand in the top markets of the United States of America and Canada. This calls for input subsidies to keep margins up for existing industry entailing questions on budgeting and the economic sense in propping up an already saturated industry. As per industry estimates, margins have shrunk by about 6-7% on an average. With stiff competition in supply from Ecuador, suppressed demand in major markets, global

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inflation on key ingredients, and high disease prevalence in Indian shrimp, the treadmill of subsidies to keep shrimp aquaculture profit margins viable keeps on increasing. Currently India is facing anti-dumping and countervailing duties in America further increasing the reliance on input subsidies to keep the industry buoyant.

- **Reliance of Fish Meal and Fish Oil:** Culture fisheries input costs rely on a growing supply of fish meal and fish oil (FMFO). The ballooning of the poultry and the shrimp industry in India have created an immense demand for FMFO, the bulk of which is supplied from the west coast states of Gujarat and Karnataka. Recently, the Marine Products Export Development Agency has lifted the moratorium on new FMFO plants, indicating that an expansion of FMFO production is being planned by the Ministry of Fisheries. Most of the input for FMFO plants come from mechanised fishing gears, including trawlers landing deep water, juvenile and bycatch species. The by-catch or trash fish discarded earlier has now become a major commercial catch of the trawlers. The ocean food chain has been severely intervened. The quantum of fish caught for the FMFO industry is ever-increasing, while 'good' fish in the ocean is depleting. Ecologically, the expansion of export-oriented culture fisheries is not sustainable or focused on the long-term. Furthermore, regulations regarding the monitoring of FMFO supply chains remain unenforced: the use of LED lights, engaging in bull-trawling, fishing with below minimum mesh sizes are widespread. With the Marine Fisheries and Management Bill still pending, a regulatory void in the Indian EEZ. As a result, it is now well documented, even by mechanised boat owners themselves, that there is a famine in the sea, with an immense crash in the landing of major fish species.

Budget allocations and subsidies for culture fisheries and industrial scale fishing vessels accrue to a minority at the cost of many. The equity principle of this form of fisheries development can be questioned.

- **Environmental Regulations:** To promote intensive shrimp aquaculture, the Government of India has watered down the statutory restrictions and thrown overboard the guidelines of promoting only traditional or improved traditional aquaculture. With the CAA (Amendment) Bill 2023, the environmental regulations have been discarded in favour of pond-based process monitoring. Currently, India has a widespread problem with disease in shrimp with losses accruing in the millions of dollars. Disease outbreaks from virus, bacteria, pathogens and stress and crowding in ponds are as a result of both, poor pond management and poor environmental regulation. Decades of poor regulation have eroded the biosecurity of the environment and now a disease feedback loop is exacerbating losses, with the added burden on coastal commons and small-scale fishworkers. The global markets are increasingly oriented towards robust environmental standards with sustainability and traceability becoming mandatory across the value chain. Export oriented fisheries on a poor regulatory framework has no acceptability in the long term.
- **Labour standards:** The labour standards in export-oriented shrimp processing industries are poor. There have been recent revelations on widespread labour violations in India's shrimp processing node, and this has been under scanner globally. Given that India's largest exports are in the raw and cooked peeled forms due to the inability to maintain supply chain quality

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in Head On Shell On (HOSO) and Head Less Shell On (HLSO) forms, labour plays a large role in ensuring the success of shrimp. Working below minimum wages under the risk of penalty and without the right to collective bargaining violates India's most basic labour rights. Indian shrimp and shrimp products carry a high risk of rejection for dearth of acceptable labour standards.

Overall, the situation of intensive shrimp production is further hampered by the climate crisis; not only is this leading to supply chain disruptions, but the erratic weather is disrupting the shrimp production cycle leading to a growing cycle of uncertainty and losses. With suppressed global prices on the output side and high feed prices on the input side, the industry is aware that shrimp prices are not going to improve for producers. There is an acceptance that shrimp is globally in over-supply and that value addition might be the only way to remain competitive. Not only does the model not offer any long-term economic benefits, but it has also already wreaked destruction on coastal commons and on small-scale farmers. Therefore, in connection with the above points, it is important to discuss diversification away from intensive shrimp in export-oriented production.

Alternative to export-oriented development

In view of the above and in the interest of the environment and economy of the country as well as the livelihood of millions of small-scale fishworkers, we request the government of India to restrict and control unsustainable intensive shrimp aquaculture and shift its focus to fish and fish products of sustainable small-scale fisheries. In order to do this, we present five principles that can help approach the policy formulation for export-oriented fisheries:

1. **Schemes and Budgets focussed on small-scale fishworkers:** Small-scale fishworkers (SSF) are those fishers who are directly involved in the production of fish, use production methods that are more aligned to natural conditions, and use low intensity of capital. Currently, under the PMMSY scheme and the other schemes of the governments, SSF are marginalised due to the policy orientation of fisheries. For example, the cost of a deep-sea mechanised fishing vessel is rupees 1.3 crores, while the annual cost of production of a small-scale shrimp producers in an earthen pond is minimum rupees 6 lacs/annum. Even without any market or disease fluctuations, these sums of investment are beyond the scope of the SSF. Fish production, regardless of destination, needs an urgent realignment in catering to the needs of the SSF through appropriate budget allocations and schemes. The current PMMSY focus is not catered to needs of SSF.
2. **Access to fisheries resources:** One of the biggest challenges facing SSF is the access to fisheries resources. At sea, mechanised trawlers are constantly impeding on grounds reserved for SSF. On the other hand, even when they are operating outside of SSF zones, their fishing gears are blocking access to fishing grounds and fish that can normally be caught by SSF. Likewise, numerous coastal and estuarine areas, reservoirs, tanks and ponds have been historically the site of fishing and fish-farming by SSF in extensive, polyculture systems. These waterbodies are increasingly being bought under state-controlled intensive production methods with auctioning of the waterbodies to private firms. Export oriented production must only be undertaken after preferential access to fisheries resources have been guaranteed to SSF.

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- 3. Nutritional security:** Whether domestic or foreign, it is important to ensure that nutritionally rich and diverse food at affordable prices can be produced. Intensive shrimp and other monoculture species do not meet this principle. Connected to the earlier points on preference for SSF modes of production, it is important to recall that these produce food that are more suited to local consumption culturally and economically and are tailored to weather economic and environmental storms. Moreover, SSF production generates more employment through equitable resource sharing and is more gender friendly allowing for fisherwomen to participate in the fisheries value chain with dignity and autonomy.
- 4. Dry fish and local value chains alongside cold supply chains:** In connection to the above point, it is important to recall that perishability of fish is the biggest impediment to its consumption. Traditionally, dry fish has been a major part of fish production in India and small-scale fisheries is a large contributor to dry fish production. Fish that has been dried through curing, salting, smoking is able to withstand seasonal variations in fish availability such as during the Indian monsoon periods and is able to be transported to hinterland areas where generally food insecurity persists. Dry fish and localised value chains offer much more suited options. Moreover, dry fish has huge export prospects as well. The dry fish production in small scale fisheries should be promoted with support regarding quality control, R&D, certification, branding, packaging and market access.

Cold and chilled supply chains too are key for small-scale fishers. Processed or raw frozen fish has a large domestic and export market prospect. Sustainable small-scale fisheries of both marine and inland sectors may have a larger role in this. Quality control, R&D, certification, branding, packaging with cold chain and market access may bring about significant developments in employment and equitable income generation. Sustainable small-scale fisheries may be a large base for production of value-added fisheries products like mince or mince based products, surimi based products, ready to serve products, extruded products, pickles etc.

- 5. Natural and diverse systems of food before exotic monoculture systems:** One of the biggest challenges facing the world today is the climate crisis. Not only does this threaten the very existence of the planet in the long-term, but it is already being experienced by the developing world in general, and by certain social groups in particular, small-scale fishworkers being one of them. In order to build resilience, the health of inland and marine ecosystems plays a critical role. From the perspective of SSF, one of the ways to ensure this is through the promotion of natural and diverse systems of food that are catered to the natural environment and thrive on the diversity of life, unlike monoculture food systems which rely on their elimination. Since most export oriented production systems are monoculture based, they are automatically more intense in their impact of the ecosystem, and through their longer cold-supply chains, carry much more embedded carbon across their lifecycle, directly exacerbating the climate crisis.

We in NPSSF look forward to a sustainable and thriving small-scale fisheries sector in our country that will have larger contribution to the food security, nutritional status and employment together with decent and dignified living for fish workers.

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In anticipation of a positive response from your end,
Yours sincerely,

Pradip Chatterjee,
National Convener,
NPSSF

Dr. Sebastiao Rodrigues,
National Council Member,
NPSSF

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Copy forwarded for information and necessary action to –

- 1) The Secretary, Ministry of Fisheries, Animal Husbandry and Fisheries, Government of India.
- 2) The Chief Executive, National Fisheries Development Board, Government of India.
- 3) The Chairman, Marine Products Export Development Agency
- 4) Chairperson, Coastal Aquaculture Authority