

Enhanced Allocation and Strategic Developments for Indian Fisheries in Union Budget 2024-25

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SUMMARY

The Indian fisheries sector, particularly shrimp farming, has emerged as a crucial contributor to the country's economic development, providing employment opportunities and boosting foreign exchange earnings. The government has recently announced significant budgetary support to strengthen this sector, with a substantial allocation of Rs 2,352 crore to the Pradhan Mantri Matsya Sampada Yojana (PMMSY) for bringing about a 'Blue Revolution.' A notable development is the establishment of Nucleus Breeding Centres (NBC) for shrimp brood stocks, supported by NABARD financing for farming, processing, and export activities. The sector's growth is evident in the record-breaking seafood exports, which exceeded Rs 60,000 crore, with frozen shrimp accounting for approximately two-thirds of this amount. Shrimp exports have shown remarkable growth, increasing from Rs 8,175 crore in 2011 to Rs 40,013 crore in 2023-24. To further enhance competitiveness, the government has reduced Basic Customs Duty on various inputs and provided exemptions for feed manufacturing. The comprehensive support package focuses on technological advancement, farmer training, infrastructure development, disease management, and international market access. These initiatives are designed to modernize the sector, improve productivity, ensure sustainability, and strengthen India's position in the global shrimp market while contributing to rural development. The fisheries sector, which currently contributes 6.7% to agricultural GVA and has maintained a strong growth rate of 8.9% between 2014-15 and 2022-23, is expected to benefit significantly from these strategic interventions.

INTRODUCTION

The fisheries sector plays a crucial role in the economic development of many countries, offering employment opportunities, food security, and contributing to foreign exchange earnings. One of the most significant sub-sectors within fisheries is shrimp farming, which has seen a remarkable rise in recent years due to its growing demand in international markets. To further bolster this industry, the government has allocated special assistance in the national budget to expand shrimp farming and enhance its export potential.

Significance of Fisheries in Economic Growth

Fisheries, including both marine and inland aquatic resources, have long been a cornerstone of rural economies, particularly in coastal areas. Beyond local consumption, the global appetite for seafood continues to grow, creating immense potential for export. Among the many products, shrimp has emerged as one of the most lucrative commodities, driven by its demand in international markets such as the United States, Europe, and Asia.

Recent changes in budgetary allocation

A large part (Rs 2,352 crore) is meant for the Pradhan Mantri Matsya Sampada Yojana (PMMSY) - a scheme to bring about 'Blue Revolution' through sustainable and holistic development of the fisheries sector in India. In addition to higher allocation, finance minister Nirmala Sitharaman in her budget speech on Tuesday announced the financial support for setting up a network of Nucleus Breeding Centre (NBC) for shrimp brood stocks. The move will ensure availability of quality brood fish for quality seed.

Financing for shrimp farming, processing and export will be facilitated through NABARD. It is expected that the state-of-art facilities in NBCs will improve the genetic quality of aquaculture species for higher productivity and quality, and reduce the country's dependence on import of shrimp broodstock. India's seafood exports in the last financial year touched an all-time high of more than Rs 60,000 crore in which frozen shrimp accounted for about two-thirds of the amount. Shrimp exports have increased significantly to Rs 40,013 crore in 2023-24 from Rs 8,175 Crore in 2011. In order to further enhance its competitiveness, the FM also proposed reduction in Basic Customs Duty (BCD) on certain broodstock, polychaete worms, shrimp and fish feed to 5%, and exemption in customs duty on various inputs for manufacture of shrimp and fish feed. "This will make the cost structure leaner and enhance productivity over the medium term, giving shrimp exporters a boost," said **Rahul Guha,** director, **CRISIL** Ratings.

The fisheries sector makes up about 6.7% of the agricultural gross value added (GVA) and has grown at a compound annual rate of 8.9% between 2014-15 and 2022-23 (at constant prices).

Government's Role: Budgetary Allocation and Support

Recognizing the importance of the fisheries sector, the government has earmarked substantial funds to support its growth. The budgetary allocation specifically aims to address key challenges faced by shrimp farmers, including limited access to technology, inadequate infrastructure, and the need for better disease management in shrimp farming.

One of the key aspects of this allocation is special assistance for improving farming practices. This includes:

1. **Technological Advancements:** Funding will be directed towards introducing advanced technologies in shrimp farming to improve productivity, efficiency, and sustainability. This will help farmers adopt better farming techniques, such as bio-secure and disease-resistant shrimp breeding programs.
2. **Training and Capacity Building:** A significant portion of the funds will be allocated for farmer education. Workshops and training sessions will be conducted to equip shrimp farmers with modern techniques, enabling them to increase production while maintaining quality.
3. **Infrastructure Development:** Building or upgrading infrastructure such as cold storage, transportation networks, and processing units will be a major focus. This will ensure that shrimp farmers can meet international export standards and reduce losses due to spoilage or subpar processing.
4. **Disease Management and Biosecurity:** One of the biggest threats to shrimp farming is disease outbreaks. The government aims to improve biosecurity measures through funding for research and development in disease management, ensuring healthier farms and higher yields.

Expanding Shrimp Export Potential

In parallel with these initiatives to expand farming, the government is focusing on boosting the export potential of shrimp. This involves increasing access to international markets and ensuring compliance with global quality standards. Measures such as:

Trade Agreements: Negotiating and strengthening trade agreements to facilitate better market access for shrimp exports will be a key focus. The government plans to work closely with international organizations and trade bodies to reduce barriers and improve market conditions for shrimp exports.

Quality Certification and Standards Compliance: Shrimp exports must adhere to strict quality regulations. The allocated budget will support the certification process, ensuring that local farmers meet the standards required by importing countries.

Branding and Marketing: Promoting the country's shrimp products in global markets is essential. A portion of the budget will be used for marketing campaigns aimed at showcasing the quality and sustainability of the locally farmed shrimp.

Impact of Special Assistance on the Fisheries Sector

The infusion of special assistance into shrimp farming will undoubtedly have far-reaching impacts. By improving productivity, enhancing infrastructure, and ensuring international market access, the fisheries sector is poised for significant growth. Not only will this boost the national economy, but it will also contribute to job creation in rural areas, enhancing the livelihoods of thousands of farmers and their families. Furthermore, sustainable practices will ensure that the growth of the shrimp farming industry does not come at the expense of environmental health, securing the future of the sector for generations to come.

CONCLUSION

The special budgetary allocation to support the expansion of shrimp farming and export represents a pivotal moment for the fisheries sector. With the right combination of technological advancements, infrastructure development, and international marketing efforts, the government's initiatives will strengthen the industry's position on the global stage. As the demand for shrimp continues to rise, this strategic support will play a vital role in making shrimp farming a key pillar of economic growth, while fostering sustainability and rural development.

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