

Impact of Covid-19 on the Indian Aquaculture segment

Indian Aquaculture is an export driven segment, with 90% of production being exported. While the demand for aquaculture is expected to be maintained post-COVID 19; the challenge faced by Indian aquaculture farmers will be mainly in terms of meeting the demand with steady production. The lion's share of Indian aquaculture comprises of shrimp, for which both brood stocks and larval feed are imported. With the lockdown in place, supply of these has been stalled, which may have a significant impact on India's production.

According to industry sources, hatcheries had lost about 3.5 billion shrimp seeds immediately after the lockdown while an estimated production of 5 billion shrimp was aborted.

The key challenge to India's shrimp production at present is its dependence on raw material imports. India imports the parental brood stock of Pacific Indicus from Hawaii and Black Tiger Prawns from Madagascar; both of which have been stalled given the lockdown.

Towards ensuring continuity of production certain immediate steps are recommended such as fast-tracked re-establishment of brood stocks import; one-time exemptions of mandatory pre-delivery 30-day testing; and allowing brood stock to be taken to hatcheries directly, where sampling can be done by the Authorities, thereafter.

Additionally, the supply of larval feed and nutrients for Hatcheries need to be reworked, as currently majority of the suppliers are from Europe. Special permits need to be worked out to facilitate the uninterrupted supply of larval diets.

Once the continuity of production is re-established, Indian aquaculture may in fact be leveraged to capture the growing global demand. According to Mr. Chandrajit Banerjee, Director General, CII, "With timely interventions, India not only has the potential to bounce back from the impact of the Covid-19 crisis, but also holds the potential to become a key player in the global aquaculture trade".

As per FAO data, the regions of USA, Europe and China imported Fishery and Aquaculture products worth around EUR 37 billion as of 2018. These markets are also key export markets for India, contributing to almost 80% of India's shrimp exports.

CII believes that through strategic steps, India can position itself as a key player not only in these markets, but also growing markets of Japan, Russia and ASEAN nations.

In the medium term, import duty exemption for feed additives is needed, as shrimp feed accounts for more than 55% of the operating cost. Further, in terms of cost of production support to shrimp farms, it is recommended that the power tariff be lowered to a maximum of Rs 4.50 per unit, since power constitutes 17% of the cost of production of shrimp.

In the long run, clear areas need to be identified for Aquaculture and inland fisheries with environment sustainability programs. This zoning will help in enhancing biosecurity in operations. This should be supplemented with end-to-end cold chain infrastructure from the point of harvest to point of retail. In terms of export-oriented logistics, port infrastructure for handling frozen products need to be made more efficient. Additionally, there needs should be a focus on Research and Development towards developing a nuclear breeding centre for shrimp in the country.

Going forward, food safety regulation will become stricter across the world and close engagement will be key to avoid any trade disruption. Thus, desks of Indian trade of Aquaculture and Marine produce

need to be created in each of targeted country specific foreign consulate offices to coordinate between the Indian trade body and importing country trade body.