

Sea Food Export Growth in Tamilnadu : A Case Study

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Abstract

Export of seafood needs utmost care from the beginning of the production process because it is the food which is exported for the consumption of the human beings. In Tamilnadu seafood exporters are very interested to involve in the seafood business, it is mainly for the reason of the resources acquisition through inland and marine sources and long coastal line. But in the coin, another side of this business it was face serious hurdle from the starting point of the business such as in infrequent supply of the raw materials due to mismatching demand between the production and export demand of seafood, low unit value realization of the major item in the export basket, obtaining license from the export inspection council and so on. In this research the researcher has used the mean, standard deviation, co variance, growth rate, compound annual growth rate, Pearson correlation analysis and so on. Through this study correlation analysis found that the there is a relationship exist between the quantity supplied and value of the seafood in the international market. The researcher concluded that seafood production has achieved better level and also demand is high in the international market but in the supply side of the export, seafood export quantity is supplied to the international market is changed based on the reason of unfavorable prices in the international market and wastage of the majority of the fisheries sources due to the improper cold storage.

Keywords : *Seafood, Export level, Tamilnadu, Fisheries*

1. INTRODUCTION

Seafood consumption in the domestic and international market is increased every day. The processing and the value addition of the seafood are taken with the utmost care for the international market consumers rather than seafood supplied to the domestic market. The utmost care is needed for the export of seafood in the international market mainly for the reason of obtaining country of origin certificate, competitive pressure, customers expectation and so on. Seafood has higher production and export potential business in the international market. In Tamilnadu, seafood export was originated with the focus of utilizing our fisheries resources effectively, earning foreign exchange from the imported countries and attract the consumers needs in the international market and so on. In the Indian seafood market, Tamilnadu is one of

the states blessed with marine and inland fisheries resources because it has the wider area of costal line state compared with the other seafood exported states in India. In Tamilnadu, seafood production is carried out through inland and marine mode of catching and aquaculture method, but majority of the contribution of export quantity of seafood are derived from marine method of captured the fisheries. Tamilnadu has a costal length of 1076 KM, which contributes about 15 percent of india costal line. Thus the marine area of Tamilnadu is about nine percent indian of marine area. The fishery sector provides employment to the tune of 10.28 lakhs people by means of various activities of the seafood production and processing activities. Fisheries contribution in the total export earnings is sizable portion in the total product exported by Tamilnadu. In the port wise the major portion of the

seafood exported by Tamilnadu is Chennai. In Tamilnadu, based on the data of Marine Products Export Development Authority (MPEDA) around 268 numbers of the exporters are registered for doing the seafood business.

2. EXPORT LEVEL OF SEAFOOD IN TAMILNADU

Seafood is the food which is extracted from the marine and processed for the human consumption.

The consumption rate of consumers in international market towards the seafood is steadily increased in year by year and the supply of seafood cannot maintain upto the demand. In Tamil Nadu seafood export business has emerged with the steady growth after the trade was liberalized. The seafood business brings good profitable earnings to the parties involved in the business. Table.1 explains the export level of seafood in Tamilnadu.

Table 1 : Export Level of Seafood in Tamilnadu

Year	Quantity (Tonnes)	Growth rate	Export value (Rs.lakhs)	Growth rate
2007-08	72883 (16.04)	-----	206805 (15.29)	-----
2008-09	72644 (15.99)	-0.33	181314 (13.41)	-12.33
2009-10	68397 (15.06)	-5.85	177220 (13.10)	-2.26
2010-11	73327 (16.15)	7.21	198207.47 (14.66)	11.84
2011-12	86181 (18.99)	17.53	286019 (21.15)	44.30
2012-13	80715 (17.77)	-6.34	302873 (22.39)	5.89
Total	454147 (100)		1352438.47 (100)	
Mean	75691.16		225406.41	
S.D	6499.86		54821.21	
C.V	1.43		4.053	
CAGR	1.72		6.56	
Correlation	$r \pm 0.91$			

Source : Directorate of Fisheries Chennai, Tamilnadu (Figures in brackets indicate percentage to total)

Table.1 displays that the seafood export performance of Tamilnadu in the form of export quantity and export value for the year from 2007-08 to 2012-13. The export quantity of seafood was suddenly increased in the year of 2011-12 the quantity were 86181 tonnes but the next year the export quantity was decreased in terms of growth rate which was -6.34 percent. The comparison of the quantity and value terms between the year of 2011-12 and 2012-2013, the export quantity was high in the year 2011-2012 but in value term 2012-13 high even though the export quantity was low, it has got the favorable foreign exchange earning mainly for the reason of high unit value realization of seafood in the year of 2012-13. The Covariance of the export quantity was 1.43 and export values were 4.053. The

Standard deviation of export quantity was 6499.86 and the export value was 54821 and it was proved that higher the deviation from the average better export level of the seafood. The correlation analysis reveals that there is a positive relationship exists between the quantity of seafood exported and export value of the seafood.

3. PRESENT STATUS OF SEAFOOD EXPORT PROCESSING IN TAMILNADU

Seafood export processing plays the significant role in receiving, processing of the seafood for the human consumption. In the modern world, different updated technology occupation in the processing sector benefitted to seafood processing in the way of

removing wastages cleanly for the export market adaptation.

- (a) **Seafood export processing zone and employability of human resources :** Tamilnadu is an important seafood processing and exporting state in the country. There are 28 modern seafood processing plants with captive pre-processing, ice production and frozen storage facilities approved for export to European Union (EU). Another nine plants have been approved for export to Non EU exporters. Apart from this, there are seven chilled fish exporting units , one major independent cold storage (EU approved), two approved ice plants and one approved pre processing unit (independent in the state) are located. The seafood exported from Tamilnadu is mainly to the countries of USA, EU, Japan, South-East Asia, Middle East and China. Over 4000 persons including 70 percent women are directly employed in the export processing industry and over 12000 persons are indirectly employed in the supporting and allied activities in the fields.
- (b) **Fish processing parks :** The MPEDA has proposed to set up a seafood park in the special economic zone (SEZ) of Thoothukudi. This park would concentrate on producing and exporting value added products, primarily in the ready to cook and eat categories. Further this fish processing park would plan to establish for the purpose of efficient supply of fish to processing needs of the state and thereby increasing the export value as well as fulfilling the domestic needs. Finally it would be benefitted to strengthening the infrastructural facilities like cold chain, drier has been proposed for the better price to the catch.
- (c) **Fish Drying for Export :** Tamilnadu has a valuable contribution in production and export of dried fish to various countries. Now there are a 64 approved dried fish production and exporting centers located. Because of poor quality of fish used for drying and adoption of primitive methods of drying, the state would

not obtain a better pricing compared to dried fish produced in other states.

4. FACTORS INDUCING EXPORT GROWTH OF SEAFOOD IN TAMILNADU

Effective management is essential in the development of international trade to promote the free flow of goods in between the countries. The organizational department of the international business concerned with the finance, human resource, marketing, logistics, processing units. Every department of the firms is coordinated effectively for the successful delivery and the payments for the exported goods.

- (a) **Settlement mechanism :** The payment instruments received in the international trade can be executed by the exporter in many ways, but the seafood exporter of Tamilnadu are mainly preferred to the letter of credit (L/C), Document against payment and advance for the prompt payment due to abstain from them importer default.
- (b) **Unit value realization :** Unit Value Realization is determined based on the relative strength of the currencies that is to be selected for the settlement. Exporters always expect that domestic country currency to be devalued and host country or billing currency to be strengthened condition vice versa, it is mainly for the purpose of exporters are thirst towards earning more foreign currency. In 2012-13 Tamilnadu seafood exporters earned Rs. 302873 lakhs rupees of foreign exchange with the exported quantity of 80715 tonnes while compared with the 2011-12 exported quantity 86181 and earning 286019 lakh rupees the unit value realization of seafood was high in the year 2012-13.
- (c) **Wastage plan :** Seafood are normally expels lot of wastage while it is involved with processing such as cleaning, cutting for the export purposes. This wastage should be properly handled unless it will leads to problem of creating pollution and diseases to the surrounding places. So the companies are

transmitted this wastage for the chicken feed and fertilizer purposes.

- (d) **New technological advancement :** Technology up gradation is essential to meet out the customer changing needs in the market. In the seafood industry updated technology is needed for the activities of fish cleaning and packaging activities. Marine Products Export Development Authority introduces Technology Development Programme for the seafood exporters to the valuable processing and aquaculture of fisheries for the export.
- (e) **Cold storage warehousing facilities :** Cold storage and warehousing facilities are essential to preserve and safeguarding the value added exported seafood till to be received in the importer hand. In Tamilnadu, seafood cold storage and ware housing facilities are insufficient to meet out the equilibrium between supply and demand levels of the seafood. In Tamilnadu, cold storage and ware housing facilities are available such as 28 plants approved for EU exporters and 9 plants for non EU exporters.
- (f) **Availability of unskilled labours :** India is the country gifted with the lot of human resources. India is the country gifted with the plentiful of the young people while compared with the countries in the world. High availability of manpower leads to seafood industry can utilize the availability of human resources for the seafood processing activities.
- (g) **Eco mark Packaging :** Eco mark packaging was introduced by MPEDA. The first eco mark packaging was introduced by MPEDA in the company of Nila seafood Tuticorin.

Because this company followed good sanitary measures in the production process and get the certification of Hazard Analysis and Critical Control Point (HACCP) from the respective Export Inspection Council for the seafood exported. This certification is mainly used for the promotion of seafood exported from the India.

- (h) **Sustainable demand for seafood :** Seafood demand has maintained the sustainability position in the international market. The reason for the seafood business sustainability in the market is tasty of seafood, Eco mark packaging, high extraction leads to reduction of the seafood supply level of popularized international market and so on.

5. CONCLUSION

Fisheries development is needed for the development of nations. The researcher concludes that, Tamilnadu contributes the significant part in the total seafood export earnings of India. But the sustainability of the seafood supply is the major hindrance for the export. Aquaculture would be promoted in Tamilnadu for the development of export and sustain in the seafood market for the longtime in future.

India has a vast coastal range. More important, it has two polar coastal range-the eastern and the western. Both the ranges have their own attributes and benefits. The seafood in India, thus, naturally grows in variety and different in aroma and taste. Worldover, the seafood from eastern coast is admired very much. Tamilnadu is also situated on eastern side. Therefore, the seafood availability not only fulfills the need of the region but also give ample export income to the nation.

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