

14. Group approach in fisheries value chain management: Evidences from the field

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People can rarely solve key problems in agriculture and fisheries on an individual basis. Individual alone have limited power and influence, limited access to credit, loans and extension services from different govt and non-govt agencies. Farmer/fisher generally come together primarily for of a shared need. This may be to procure their produce, to have more market access or financial purpose etc. which will be easily available to groups. Group approach help advance towards economies of scale through group farming, transportation, processing, trade etc. Group approach has many advantages compared to individual approaches. It helps in faster learning, by creating a space for efficient learning; promote the practice of mutual help, more suitable for benefit and credit etc. Cooperatives, self-help groups (SHGs) and most recently producer organizations (POs) are the major group approaches adopted by Indian states in fisheries value chain management.

Group approaches

The first initiatives in cooperative organization for fishermen were undertaken in Kerala state as early as 1917. Cooperative organization is one of the subjects most widely discussed in the area of fisheries in Kerala. Kerala is also the pioneer state in empowering people especially women through the concept of self-help groups. Planning Commission of India in their IX Five Year Plan (1997-2002) gave guidelines for women empowerment through formation and operation of self-help groups (Gopal et al., 2010). Self-help groups normally includes of 10-20 similar men or women. Either Governmental or Non-Governmental Organization organize people to form groups with various economic activities based on the location or region which they belong to. The more recent group approach which was successfully implemented in agriculture sector is producer company. A Producer Company is a body corporate registered under the Companies Act, 1956; and having specified objects and activities. Ownership and membership of such companies is held only by 'Primary Producers' or 'Producer Institution', and member equity shall not be publicly traded. However, it may be transferred, only with the approval of the board of directors of the Producer Company.

Group approach in fisheries value chain management; Evidences from Kerala, India

Matsyafed, the Kerala State Co-operative Federation for Fisheries Development Ltd., was registered on 19th March 1984 as an Apex Federation of primary level welfare societies in the coastal fishery sector with the objective of ensuring the economic and social development of the fishermen community by implementing various schemes aimed at promoting the production, procurement, processing and marketing of fish and fish products. The mission of Matsyafed is to improve the economic and social well-being of the fishermen in Kerala through

direct interventions in fish production, procurement and marketing, that is throughout the value chain. The objective of Matsyafed is to carry out activities for promoting production, procurement, processing and marketing of fish and fishery products for the total development of fishermen community. It supports fishers with investment, production, procurement and marketing. Matsyafed Hand-hold the fisherfolk through a process of credit, technological innovations and capacity building.

Activities of Matsyafed

1. Beach level auction as primary sale

Matsyafed organize beach level auction as primary sale. It introduced the group ownership system for fishing implements through its National Cooperative Development Corporation (NCDC) assisted Integrated Fisheries Development Project. This scheme ensures that all fishermen participating in fishing activities had equal rights to the fishing implements. Once the fishermen groups were formed and provided with the fishing inputs the next area of intervention the federation has initiated is to ensure right of producer fishermen on primary sale of fish at landing centers. For this purpose, Matsyafed introduced a beach level auction system under the control of the primary cooperatives whereby the fish landed by the fishermen are auctioned by empaneled auctioneers of the primary societies and the fishermen are paid the auction value immediately through the primary society after deducting the loan repayment amount and a savings amount which is credited to the loan account, savings account of the fishermen. This system has ensured fair price for fish, prompt loan repayment and also inculcated a habit of savings among the fisherfolk. Based on the savings generated by the fishermen 0.5% of the amount is paid by Government and the total amount is released to the fisherfolk as production bonus during festival seasons.

2. National Cooperative Development Corporation (NCDC) assisted Integrated Fisheries Development Project

Matsyafed has been implementing the NCDC assisted Integrated Fisheries Development Projects (IFDP) for assisting the traditional fishermen of Kerala since 1984. The assistance is provided in kind as subsidised loan. The loan is provided to the fishermen through the Primary Fishermen Development and Welfare Co-Operative societies affiliated to Matsyafed. Loan is provided for procuring fishing implements such as craft, out board engines and webbings in kind, infrastructure facilities for fish marketing and processing to the primaries for the benefit of member fishermen, working capital for fish vending and marketing, construction of office cum godown for the primary societies and district offices etc

3. Motorisation of Country Crafts

This is a 50 % centrally sponsored scheme. This scheme envisages passing on subsidy of Rs. 10000/- for engines below 10 HP for the motorization of country crafts.

4. Subsidy for Suitable Components of Fishing Gear

The scheme provides a subsidy of Rs.6000/- per craft powered by OBMs below 10 HP for the purchase of suitable components of fishing gear by fishermen.

5. Bankable Scheme

The scheme provides 25% subsidy for loan from bank/financial institutions for the purchase of fishing inputs by fishermen.

6. NBCFDC & NMDFC Self-employment loan schemes and Microfinance programmes

Schemes for providing term loan and microfinance loan with financial assistance of National Backward Classes Development & Finance Corporation (NBCFDC) and National Minorities Development & Finance Corporation (NMDFC) are being implemented by the Federation since 1997. NBCFDC and NMDFC finance 85% of the project cost and the 10% SCA share is met by the State Govt. Assistance worth Rs.807.69 lakhs was provided to 1042 fishermen with the fund received from NMDFC and NBCFDC. A maximum loan limit of Rs. 25000/- per individual is given with a repayment period of 2 years @6% interest with a margin of 1% to the society.

7. Interest Free Loan

To prevent the income erosion of women fish vendors due to the high rate of interest charged by the private money lenders for their daily working capital requirement, Matsyafed has launched a new scheme of loan for women vendors without charging any interest and the interest portion is borne by the State Govt

8. SHG & microfinance

Matsyafed has initiated formation of the Self-Help Group among fishermen family members and encouraged to initiate micro enterprises. Matsyafed could organize credit facilities through National Backward class finance Development Corporation (NBCFDC) and National Minority Finance Development Corporation (NMDFC) at 6% interest per annum. Matsyafed could also organise interest free loans to fish vendor with support of the state government.

The micro credit has made a huge difference in the dynamics of the primary cooperatives and improvement in the income of the fishermen families. The interest rate of money lending in fisheries sector was ranging from 24 to 120% per annum and fishermen was finding it difficult to repay the loans. Matsyafed could organize the micro credit at 6% per annum and even as interest free in the case of fish vendors. This has forced money lenders to reduce the interest rate in the sector and there by facilitate increase in income to fishermen family.

Other activities of Matsyafed are; input security scheme, production bonus scheme for fishermen, chain of hi-tech retail fish marts, infrastructure development in harbours and selected fish markets, white kerosene bunks, ornamental fishery, capacity building, welfare activities, fishermen personal accident insurance scheme, Matsyafed input security scheme, vanitha bus, common pre-processing centre and Kerala sustainable urban development project.

SAF -Society for Assistance to Fisherwomen (SAF)

Society for assistance to fisher women (SAF) is another agency under department of fisheries, Govt of Kerala. It aims for socio-economic empowerment of women from fishing community households, by ensuring job security and income security. In addition to livelihood

programmes, SAF also organizes social security related and skill development programmes. From the year 2010 onwards SAF is organizing a scheme called Theeramytri, with 2500 micro-enterprises of more than 5000 women. From the beginning onwards 50 per cent of the enterprises under Theeramytri are sustaining by themselves.

SAF provides support for enhancing infrastructure to select deserving units that have a history of good performance. This support is based on the understanding that lack of basic infrastructure continues to be a major stumbling block for even the best performing groups under the Theeramythri project. There are several instances where the requirement to shift rented premises often has led to well performing units pushed down drastically. The support is limited to partial financing of the construction of own building. Other activities of SAF are enlisted below,

1. Projects for rejuvenating the community groups and promoting formation of new groups to carry out the livelihood initiatives
2. Projects to enhance the income generation by improving existing livelihood activities or by providing new activities.
3. Micro Enterprises development and promotion.
4. Creating common facilities such as Common Production Centers, Community Resource Centre.
5. Projects for technology improvement and technology adaptations.
6. Projects for Risk Mitigation.
7. Creating marketing supports.
8. Information dissemination and capacity Building.
9. Projects for providing hand holding supports.

Producer Organization (PO)

A Producer Organization (PO) is a legal entity formed by primary producers, viz. farmers, milk producers, fishermen, weavers, rural artisans, craftsmen. A PO can be a producer company, a cooperative society or any other legal form which provides for sharing of profits/benefits among the members. In some forms like producer companies, institutions of primary producers can also become member of PO. The main aim of PO is to ensure better income for the producers through an organization of their own. Small producers do not have the volume individually (both inputs and produce) to get the benefit of economies of scale. Besides, in agricultural marketing, there is a long chain of intermediaries who very often work non-transparently leading to the situation where the producer receives only a small part of the value that the ultimate consumer pays. Through aggregation, the primary producers can avail the benefit of economies of scale. They will also have better bargaining power vis-à-vis the bulk buyers of produce and bulk suppliers of inputs. Recently ICAR-Central Institute of Freshwater Aquaculture, Bhubaneswar in association with Darbar Sahitya Sansad (DSS), NGO had launched a PO called “Bhargabi Fish Farmers Producers Company Limited”.

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