

EXPORT PROMOTION SCHEMES FOR FISHERIES



Schemes of MPEDA for Fisheries Sector

Name of the Scheme	Objective	Quantum of subsidy
I. EXPORT PRODUCTION - CAPTURE FISHERIES		
1	Installation of Turtle Excluder Devises (TED) in fishing trawlers.	To protect Turtles during fishing as a conservation measure.
2	Financial assistance for installation of Fish Finders, GPS, RT and installation of insulated / refrigerated Fish Hold, Refrigerated Sea Water system (RSW) and Ice making machine on board mechanized fishing vessels.	To encourage mechanized fishing vessel owners to go for multi day fishing in off shore area as also for better preservation of catch for export purpose.
3	Financial assistance for the conversion of existing fishing vessels to Tuna long liners	To encourage the fishing vessel owners for harvesting deep sea tuna by diversified fishing using mono filament long line system.
4	Grant from Ministry of Food Processing Industries for setting up new processing plant/ pre-processing plant or modernization of existing processing / pre-processing plant.	To encourage modernization of existing units or to set up new units.
		Supply of TED free of cost to mechanized trawlers
		30% of the cost of eligible items subject to a maximum of Rs.5 lakh per owner of fishing vessel.
		The amount of assistance under the scheme will be limited to 50% of the cost of the monofilament long line system, related equipment and conversion charges (including installation charges) subject to a maximum of Rs.7.50 lakh for fishing vessels of OAL less than 20 mtr. and Rs.15 lakh for deep sea fishing vessels of OAL more than 20 mtr.
		Grant to the extend of 25% of cost of the Technical, civil work and machinery limited to Rs.50 lakh in the case of units in general area and 30% of the cost limited to Rs.75 lakh in the case of difficult areas.

II. EXPORT PRODUCTION - CULTURE FISHERIES.			
5	Financial assistance for New Farm development in undeveloped areas.	Assistance is given to shrimp scampi farmers for setting up of new farms for augmenting production.	25% of the capital cost or @ Rs.50,000/ha Water Spread Area. A farmer is eligible to avail maximum subsidy of Rs.2.50 lakh for developing shrimp/scampi farms in 5.00 ha. water spread area.
6	Promotion of commercial hatcheries for seed production of exportable species.	Assistance for setting up hatcheries for production of healthy and quality seeds for aquaculture.	(a) 25% of capital cost to the maximum of Rs.3.00 lakh/ hatchery/ for a small-scale hatchery of 10 to 30 million post larvae production capacity. (b) 25% of capital cost to the maximum of Rs.6.00 lakh / hatchery / for a medium scale hatchery of 30 million and above post larvae production capacity.
7	(a) Financial assistance for establishment of effluent treatment system (ETP) in shrimp farms.	ETS is mandatory for shrimp farms above 5 ha water area. Hence, this scheme was introduced to assist farmers to set up ETS in their farms.	25% of the capital cost or Rs.1.5 lakh whichever is less per unit of 5 ha area, subject to Rs.6.00 lakh per beneficiary.
	(b) Financial assistance for establishment of effluent treatment system (ETP) in shrimp hatchery.	ETS hatchery also considered mandatory in pollution point of view and hence the scheme was introduced to assist hatchery operators to set up ETS.	25% of the capital cost subject to maximum of Rs.1.5 lakh per unit (One unit per hatchery).
8	Development assistance for setting up of PCR labs in private hatcheries/ Pvt. Lab	To ensure quality of shrimp seed PCR labs are required in hatcheries. Hence, this scheme was introduced to screen any viral infection in seeds/brooders.	50% of capital cost to the maximum of Rs.5.00 lakh per unit.
9	Financial assistance to set up chill room facilities in shrimp farming areas.	In order to help the farmers to market their produce in fresh condition for obtaining better prices, this scheme was introduced.	25% of the cost of establishment subject to a maximum of Rs.3.00 lakh per beneficiary.

10	Financial assistance for purchase of water quality testing equipment.	To help the farmers for better management of their farms, this scheme envisages to extend financial assistance for purchase of water quality testing equipment.	25% of the cost of the water testing kits/equipment subject to maximum of Rs.30,000/- per beneficiary..
11	Registration of Aquaculture Societies	For adoption of BMPs and Code of Practices for sustainable shrimp farming for sector wide management of aquaculture farms.	50% of the estimated cost subject to a maximum of Rs.5.00 lakh for setting up of office, ware house/auction hall, common facility etc., Laboratory facilities, Hiring technicians, training farmers/technical personnel and methodology for promoting environmentally sound farming.
12	Scheme for providing financial assistance for establishment of Ornamental Fish Breeding Units	Generate export oriented employment in rural and urban households through mass production ornamental fishes	50% of the cost of eligible expenditure subject to a maximum of Rs. 75,000 for Grade I unit, Rs. 2 lakh for Grade II unit and Rs 7.5 lakh for Grade III unit
13	Scheme for providing financial assistance for establishment of Ornamental Fish Marketing Societies (OFMS)	To provide marketing infrastructure and to reduce intermediaries for ornamental fish breeders	The maximum amount of financial assistance eligible is Rupees Five lakh per unit
14	Financial assistance for Basic facilities (new) for Chilled fish / Chilled Tuna for export	To boost the export of chilled fish items and to earn valuable foreign exchange to the country, to increase the share of chilled fish items in the seafood export basket of India and to facilitate creation of adequate facilities necessary and essential for chilled fish export and also to ensure quality product for export markets.	Maximum assistance shall be Rs.35 lakh per beneficiary @ 33⅓% of the actual cost incurred. The financial assistance under the scheme will be available only once to a beneficiary.

15	Technology Upgradation Scheme for Marine Products (TUSMP)	New Scheme for promotion of value addition in seafood processing. Financial assistance either in the shape of capital subsidy @ 25% and interest subsidy to the extent of 5 percentage points (subject to a ceiling) is envisaged in the scheme.	The rate of assistance in the case of capital subsidy will be @ 25% of the expenditure incurred for value addition subject to a maximum of Rs.100 lakh for new units and Rs.85 lakh for the existing units going in for value addition. The interest subsidy assistance proposed is 5% of the term loan availed from financial institutions for value addition subject to a maximum of Rs.150 lakh in the case of new units and Rs.125 lakh in the case of existing units. The beneficiary can avail anyone of the above scheme.
16	Subsidy for acquisition of machinery for tuna cannery / processing of value added tuna product	To assist seafood processors to set up tuna cannery / processing facilities for value added tuna products	25% of the cost of machinery & equipment subject to a maximum of Rs.65.25 lakh
17	Financial support for acquisition of Refrigerated Truck/Containers	To encourage seafood processors to acquire Refrigerated Trucks/containers for transportation of raw material/ finished products.	25% of the cost of Refrigerated Truck/ container, subject to a maximum of Rs.3.50 lakh
18	Financial assistance for setting up large Cold Storages	To encourage individuals to establish Cold Storages for keep the surplus seafood.	25% of the cost of cold storage subject to the maximum of Rs.60 lakh.
19	Assistance for the setting up of new/ modern ice plants/ renovation of existing ice plants.	For ensuring quality ice for fish preservation.	A maximum of Rs.22 lakh for new units and Rs.12 lakh for renovation.
20	Subsidized distribution of insulated fish boxes	For proper preservation of raw materials in iced condition on board fishing vessel, in shrimp farms, peeling sheds and processing plants	Moulded synthetic insulated fish boxes of various capacity are distributed at 50% subsidy: <u>Category</u> <u>Max</u> <u>Amount of subsidy</u> <u>in (rupees)</u> <u>per unit</u> 1. Small mechanized boat/country craft (less than 32 ft. OAL) 4500

			<p>2. Mechanized boat owners (Above 32 ft. OAL) 15000</p> <p>3. Peeling shed/ pre-processing plant 50000</p> <p>4. Processing Plant 100000</p> <p>5. Shrimp farmers 5 ha. & less 35000</p> <p>6. Shrimp farmers above 5 ha. 50000</p> <p>7. Fresh/Chilled Fish Handling Centres 100000</p>
21	Interest subsidy assistance for seafood units to facilitate upgradation.	To subsidize a part of the interest payable by the plant owners to their bank/financial institutions for the loans availed by them for modernization of their plant to achieve conformity to EU standards.	The subsidy eligibility will be restricted to a maximum of 7% of the interest charged by the bank/financial institutions over and above the international interest of 7% or actual rate of interest over and above the international interest i.e. 7% whichever is less subject to a maximum of Rs. 15 lakh.
22	Subsidy for setting up Mini Laboratory.	For effective implementation of inprocess quality control.	25% of the cost of mini laboratory subject to a maximum of Rs.1,50,000/- per unit.
23	Assistance to seafood processors for construction / renovation of Captive Pre-processing Centres with upgraded facilities.	To bring the pre-processing activities under the control of processors and upgrade the facilities on par with HACCP/EU Regulations.	50% of the cost of eligible expenditure on the above items subject to a maximum of Rs.15 lakh for new construction and 45% of the cost of subject to a maximum of Rs.13.50 lakh for renovation for captive PPCs, which is again linked to the workers capacity and the area of the pre-processing hall.

24	Financial assistance to pre-processors for construction /renovation of independent pre-processing centres with upgraded facilities.	To upgrade the facilities on par with HACCP/EU regulations and thereby improve the handling practices in the entire pre-processing sector.	50% of the cost of eligible expenditure on the above items subject to a maximum of Rs.22 lakh for new construction and 45% of the cost subject to a maximum of Rs.19.8 lakh for renovation for independent PPCs, which is again linked to the workers and the area of the pre-processing hall. The subsidy is further restricted to maximum limits fixed for individual items.1
25	Financial assistance for procurement of quick testing kit for antibiotics.	GOI has made mandatory for all EU approved units to procure and install Quick Testing Kit for testing antibiotics residues. Non-EU units can also procure and install the Quick Testing Kit.	The quantum of assistance is 33.3% of the cost of the Microwell Reader and five Test kits as well as other accessories, subject to a maximum of Rs.1 lakh per unit.
26	Assistance for setting up of Ornamental fish Breeding units.	To set up small scale ornamental fish breeding unit to enhance the domestic production.	50% of the capital cost for the infrastructure specified, subject to a maximum of Rs.75000/- per unit linked to export.
27	Developmental assistance for Export of Ornamental/ Aquarium fishes.	To give a thrust to the export of Ornamental fish from the country and to fetch better unit value realization by competing with our neighboring countries	10% of f.o.b. value of export subject to the ceiling of Rs.3 lakh per exporter per year.
IV. MARKET PROMOTION.			
28	Financial Assistance for extending Insurance Coverage to Workers Employed in the Fish Processing Units.	The Insurance scheme is envisaged for workers employed in the Seafood Processing Units with a terminal benefit of Rs.50,000 for the insured, medical expenses (hospitalization) reimbursement upto Rs.10,000/- for the insured or his/ her parents or dependants and also to insure house hold articles against calamities either natural or man made upto Rs.20,000/- and for emergency medical evacuation, Rs.2,000/- (maximum).	The premium of the insurance will be paid by the employer, employee and MPEDA in a ratio of 50%, 25% and 25%. The annual premium works out to Rs.200/- per worker.

AQUACULTURE SECTION-SUBSIDY ASSISTANCE SCHEMES

SI No	Name of Scheme	Objectives	Quantum of Subsidy
1	Subsidy for new farm development	For development of new prawn / shrimp farms	@25% of the capital cost, subject to a maximum of Rs.30,000/- per ha. water area, restricted to Rs.1.5 lakh per beneficiary.
2	Subsidy for small-scale hatcheries	For setting up of shrimp hatchery with a minimum production capacity of 10 million seeds per annum	@ 15% of the capital cost or Rs.1.50 lakh for private hatcheries, 25% or Rs.2.50 lakh to co-operative sector and 50% of Rs.5.00 lakh to Govt. sector.
3	Subsidy for medium-scale hatcheries	For setting up of shrimp hatchery with a minimum production capacity of 30 million seeds per annum	@ 25% of the capital cost, subject to Rs.5.00 lakh per beneficiary / hatchery (about 7 districts are excluded, being overcrowded already)
4	Subsidy for setting up of PCR labs in hatcheries	To establish PCR labs in hatcheries	@ 50% of capital cost, subject to a maximum of Rs.5 lakh per beneficiary /hatchery.
5	Subsidy for effluent treatment system(ETS) in Shrimp Farms.	To set up effluent treatment systems attached to shrimp farms	@ 25% of the capital cost, subject to Rs.1.50 lakh for shrimp farms with a minimum water area of 5.00 ha and upto Rs.6.00 lakh per beneficiary
6	Subsidy for establishment of chill room facilities in shrimp / prawn farming areas	To set up facilities for post harvest care of farm raised shrimp/prawn.	@25% of the cost of establishment of chill room, subject to a maximum of Rs.3.00 lakh per beneficiary / farmer.
7	Subsidy for purchase of water testing kits / equipment for shrimp / prawn farms	To encourage & support the farmers to use water testing kits / equipment in their farms	@ 25% of the cost of water testing kits / equipment purchased for use in the farm, subject to a maximum of Rs.30,000/- per beneficiary / farmer.

**TECHNICAL ASSISTANCE SCHEMES FOR EXPORT PROMOTION OF
AQUACULTURE SECTION OF MPEDA**

- ❖ Conduct workshops / seminars / symposia / farmers' meets/antibiotic-campaigns etc. for the benefit of farmers / entrepreneurs.
- ❖ Liaison with State Govts. / Research Institutes / Financial Institutions / Insurance Companies and other developmental agencies.
- ❖ Organising International events like INDAQUA having both technical sessions and aquaculture trade fairs.
- ❖ Registering of qualified and experienced Technical Consultants for Aquaculture.
- ❖ Registering of hatcheries to follow Code of Practices.
- ❖ Promoting diversification in export-oriented aquaculture.

INTERNATIONAL SHOWS

- (a) MPEDA in association with the trade has been organising seafood trade fairs (India International Seafood Show (IISS)) every alternate years within in India. Over the years, these biennial fairs have achieved a distinct position among international trade fairs.
[India International Seafood Show \(IISS\)](#)
- (b) In order to popularise the concept of aquaculture and to exploit the resources in the sector, MPEDA organizes INDAQUA every alternate years.

OTHER PROMOTIONAL MEASURES

- (i) Central assistance to States for development of critical infrastructure for export such as roads, inland container depots, container freight stations, Export Promotion Industrial Parks and for equity participation in infrastructure projects.
- (ii) Encouragements to State Governments for setting up Export Zones.
- (iii) Declaration of Towns of Export Excellence to encourage setting up of critical infrastructure for export production, encourage common service providers and facilitate availability of better technological services and integrate benefits under the other schemes of EXIM Policy for the units in such towns.
- (iv) Market Access Initiative Schemes for encouraging increased marketing efforts by exporters/Brand promotion
- (v) Schemes to promote the Concept of Total Quality Management.

Import for export production

- (i) Advance authorization for duty free import of inputs for export production.
- (ii) Duty free import authorisation (DFIA) Scheme

Scheme DFIA is issued to allow duty free import of inputs, fuel, oil, energy sources, catalyst which are required for production of export product. DGFT, by means of Public Notice, may exclude any product(s) from purview of DFIA. This scheme is in force from 1st May, 2006.

Entitlement Provisions of paragraph 4.1.3 (FTP) shall be applicable in case of DFIA. However, these Authorizations shall be issued only for products for which Standard Input and Output Norms (SION) have been notified. Pre-export Authorization shall be issued with actual user condition and shall be exempted from payment of basic custom duty, additional customs duty, education cess, anti-dumping duty and safeguard duty, if any. A minimum 20% value addition shall be required for issuance of such authorization.

- (iii) Manufacturer exporters, merchant exporters tied to supporting manufacturers and service providers eligible for import of capital goods at 5% Customs duty linked to fulfillment of export obligation in 8 to 12 years under EPCG Scheme.

PACKAGE FOR MARINE SECTOR

- a. Duty free import of specified specialized inputs/chemicals and flavoring oils as per a defined list shall be allowed to the extent of 1% of FOB value of preceding financial years export. Use of these special ingredients for seafood processing will enable us to achieve a higher value addition and enter new export markets.
- b. To encourage the existing mechanized vessels and deep sea trawlers to adopt modern technology for scientific exploitation of our marine resources in an eco-friendly manner and boost marine sector exports, it is proposed to allow import of monofilament long line system for tuna fishing at a concessional rate of duty.
- c. The present system of disposal of waste of perishable commodities like seafood after inspection by a customs official is very cumbersome and leads to development of unhygienic conditions. To overcome this, a self removal procedure for clearance of waste shall be applicable, subject to prescribed wastage norms.

FOCUS PRODUCT SCHEME (FPS)

Objective is to incentives export of such products, which have high employment intensity in rural and semi urban areas, so as to offset infrastructure inefficiencies and other associated costs involved in marketing of these products. Entitlement Exports of notified products (as in Appendix 37D of HBP v1) through EDI enabled ports to all countries shall be entitled for Duty Credit scrip equivalent to 1.25% of FOB value of exports for each licensing year commencing from 1st April, 2006. However, additional products notified / clarified in Appendix 37D of HBP v1 shall be entitled for Duty Credit scrip on exports w.e.f 1.4.2007.

APPENDIX 37D OF HANDBOOK OF PROCEDURES VOL.I VALUE ADDED FISH PRODUCTS

Sl.No	Item	Description
1	46	Shrimp – breaded, battered, marinated and other such prepared products
2	47	Shrimp pickle
3	48	Shrimp Curry
4	49	AFD Shrimp, AFD Powder
5	50	Shrimp IQF Raw
6	51	Shrimp IQF blanched/cooked
7	52	Shrimp in Tray/pouch packs
8	53	Squid – breaded, battered, marinated and other such prepared products
9	54	AFD Squid
10	55	Squid IQF raw
11	56	Squid IQF blanched/cooked
12	57	Squid in Tray/pouch packs
13	58	Cuttlefish AFD
14	59	Cuttlefish IQF Raw
15	60	Cuttlefish IQF blanched/cooked
16	61	Cuttlefish in tray/pouch packs
17	62	Cuttlefish breaded, battered, marinated and other such prepared products
18	63	Fish fillets / loins / steaks etc in tray / vacuum pouches
19	64	Braded fish fingers / fish fillets, precooked loins and other such prepared products

20	65	Fish pickle
21	66	Fish curry
22	67	Lobster cooked / half cut IQF/packed in tray / pouches
23	68	Stuffed crab
24	69	Breaded crab cakes/ Crab cake
25	70	Pasteurized crab meat
26	71	Raw crab meat/soft shell crab
27	72	Mussel/clam meat pickle
28	73	Surimi analogues
29	74	Canned Tuna

SCHEMES OF NCDC IN THE DEVELOPMENT OF FISHERIES

NCDC has been promoting and developing fisheries cooperatives after its Act was amended in 1974 to cover fisheries within its purview. The Corporation has formulated specific schemes and pattern of assistance for enabling the fishery cooperatives to take up activities relating to production, processing, storage, marketing, etc. Assistance is provided to fisheries cooperatives on liberal terms treating the activity as weaker section programme. Assistance to fishery cooperatives is provided for the following purposes:

- Purchase of operational inputs such as fishing boats, nets, and engines
 - Creation of infrastructure facilities for marketing, transport vehicles, ice plants, cold storages, retail outlets, processing units, etc.
 - Development of inland fisheries, seed farms, hatcheries, etc.
 - Preparation of feasibility reports.
 - Integrated Fisheries Projects (Marine, Inland and Brackish Water)
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- ❖ Godowns. For construction of godown and sheds, assistance is provided to cooperatives at the primary and mandi level,
 - ❖ Construction of Cold Storages & Ice Plants. Assistance to the cooperatives is provided for setting-up of new Ice plants and cold storages as also for expansion/modernisation of the existing units.
 - ❖ Creation of marketing infrastructure including retailing. Assistance is provided to create integrated marketing infrastructure including that of retail outlets.
 - ❖ Setting up of Processing Units. Assistance is provided to Cooperatives for establishment of Processing units of fruits and vegetables including that of other products like Ayurvedic Medicines, Honey & Spices Processing units etc

Loan for Marine Fisheries

Purpose :For purchase/construction of mechanised fishing vessels, mechanisation of country boats, catamarans, nets and other fishing equipments.

Eligibility : Professional fishermen.

What will be Your Share (Margin) :

- Upto Rs.25,000 : Nil
- Above Rs.25,000 : 15-25%

Security:

- Upto Rs. 25,000 : Hypothecation of fishing boat / equipment
- Above Rs.25,000 : Hypothecation of fishing boat / equipment and Co-obligation of third party / mortgage of landed property.

Repayment : Within 4-12 years

3. CANARA BANK

Loan for Inland Fisheries

Purpose:For construction / deepening / widening / desilting of ponds, purchase of fingerlings, equipments, manures, feeds and labour inputs.

Eligibility : Well experienced fish farmers with suitable land.

What will be Your Share (Margin):

- Upto Rs.25,000 : Nil
- Above Rs.25,000 : 15-25%

Security:

- Upto Rs. 25,000 : Hypothecation of moveable assets
- Above Rs.25,000/- : Hypothecation of assets and mortgage of landed property

Repayment : Within 1 to 10 years, depending on the purpose.