

Upsurge in exports and price rise of mackerels in the retail markets of Kerala

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The finfish export from the country witnessed remarkable progress in the late 90s due to the reduction in the catch rates of export oriented items such as shrimps and cephalopods. The less stringent quality control measures in major importing countries promoted the exports of finfishes which helped the exporters to bridge the gap in capacity deficiencies and attain scale economies. There was a boost in the exports of low value pelagics such as oil sardines and mackerels due to increase in the purchase prices of high value finfishes such as pomfrets, seerfishes and ribbon fishes. As per the MPEDA statistics, the export of mackerels from India was initiated in 1994 and there was sharp increase in exports from 2009 onwards. Mackerels which were once considered as cheap fishes now fetches ₹160/kg in the retail markets of Kerala and crossed ₹ 150/kg in many of the neighbouring states such as Karnataka and Goa during the post monsoon season of 2013. In this context, a time series analysis on the landings, exports and landing centre and retail prices of mackerels for the period 1994-2010 was

done to assess the impact of exports on the domestic prices of mackerels in the country.

Trend of landings and exports of mackerels from India

More than 90% of the mackerels were exported in the frozen form initially. IQF exports started during the year 2003 occupied 45 % of the total value of mackerels exported from the country in 2010. The preferred counts for export were 4/6, 6/8, 10/12, 14/16. Mackerels were mainly exported from Kerala, Karnataka, Goa and Gujarat. The total mackerel landings in the country increased from 2.05 lakh tonnes in 1994 to 2.67 lakh tonnes in 2010 while the exports increased from a mere 620 t to 69,356 t during same period. The unit value realized at the export market increased from ₹ 21.23/ kg to ₹ 63.14/ kg in 2010. The exports as percentage to total landings increased from a mere 0.30 to 26% in 2010. The landings showed a compound annual growth rate of -0.95% during 1994-2010 period whereas the exports showed a Compound Growth

Table 1. Trend of Landings and export of mackerels from India

Years	Landings (t)	Exports (t)	Value (₹ lakh)	Unit value (₹/kg)	Exports as % of landings
1994	205844	620	132	21.23	0.30
1995	176803	2636	864	32.77	1.49
1996	274135	11253	3481	30.93	4.10
1997	222141	5961	1936	32.48	2.68
1998	175617	6261	2293	36.62	3.57
1999	208128	11637	3310	28.44	5.59
2000	134020	16215	5036	31.06	12.10
2001	88580	10960	4107	37.48	12.37
2002	94033	8691	3284	37.78	9.24
2003	111885	5701	1959	34.36	5.10
2004	141774	7341	2592	35.3	5.18
2005	125424	9127	3383	35.22	7.28
2006	141919	14329	7164	50	10.10
2007	180117	19788	8073	40.79	10.99
2008	158927	19538	12713	65.07	12.29
2009	186128	43546	29862	68.58	23.40
2010	267251	69356	43794	63.14	25.95
CGR(1994-2010)	-0.95	17.85	24.29	5.42	

Source: CMFRI Annual Reports

Statistics of marine products exports, MPEDA

Rate (CGR) of 17.85% in terms of quantity and 24.29% in terms of value.

Major export destinations

India exports mackerels to Thailand, Malaysia, Singapore, US, UAE, Saudi Arabia and Vietnam. In 2010, 72.55% of the total volume of mackerel exports were to Thailand followed by Malaysia (14.81%). Mackerel is a highly preferred fish in Thailand and is used for making a variety of products including canned mackerel in tomato sauce, mackerel salad, grilled mackerel, spicy fried mackerel and mackerel chilli paste. Thailand imports more than one lakh tonne of frozen mackerels every year for which India is the major supplier (External trade statistics, Thailand, National news bureau of Thailand). Imported mackerels are used both for local consumption and also as raw materials for re-processing industry. Mackerel eating festivals are also celebrated every year in Thailand.

Price trends

In Kerala, the mackerel landings showed wide fluctuations from 74,233 tonnes in 1995 to 33,854

tonnes in 2000 and then to 39,914 tonnes in 2012. Analysis of landing centre and retail prices over the years showed that there was 67%, 20% and 44% increase in landing centre prices during 1995-2000, 2000-05 and 2005-10 periods respectively. At retail level, the price increases were 43, 11 and 58% respectively during 1995-00, 2000-05 and 2005-10 periods. The fishermen's share in the consumer's rupee increased from 60% in 1995 to 75% in 2005 and thereafter declined to 60% in 2012 with huge exports of mackerels from the country. This is a clear indication of scarcity of mackerels in the state which has contributed to escalation of prices in the retail market and lower share for the fishermen in the consumer's rupee. In contrast, the low unit value realized from exports indicates that the exporters were able to get the preferred grade of mackerels at a lower rate from the landing centres. The unit value realized at the export market was well below the retail prices in Kerala being ₹ 63.14/kg in 2010. The maximum unit value realized was for consumer pack (₹ 140/kg) and headless (₹ 98/kg).

The marine products exports reached US\$3.5 billion in 2012-13. The WTO agreement and several

Table 2. Mackerels exports to Thailand and Malaysia (2010)

Particulars	Malaysia		Thailand	
	Q (tonnes)	V (₹ lakh)	Q (tonnes)	V (₹ lakh)
Frozen mackerel	4280	2551	21237	13495.41
IQF Indian mackerel whole round	790	508.06	5304	3685.45
IQF mackerel	5206	3123.64	23780	15903.48
Total	10276 (14.81%)	6182.7	50321 (72.55%)	33084.34

Source: Calculated from Statistics of marine products 2010, MPEDA

Table 3. Average landing centre and retail prices of mackerels in Kerala

Years	Landings (t)	Landing centre price (₹/kg)	Retail price (₹/kg)	Fishermen's share in consumer's rupee (%)
1995	74,233	18	30	60.00
2000	33,854	30	43	69.77
2005	50,498	36	48	75.00
2010	68,511	52	76	68.42
2011	72,078	66	100	66.00
2012	39,914	72	120	60.00

free trade agreements signed by the country in recent years also favored the Indian marine exports. The ASEAN-India Free Trade Agreement (AIFTA) which came into effect on 1st January 2010 and the consequent elimination of the tariffs opened up new export opportunities of marine products to south-east Asian countries including Thailand, Malaysia and Singapore. Even though the exports help to curb the trade deficit in the country, caution need to be taken to protect the interests of domestic consumers. Since marine fishes are good source of protein to the low income groups in the country,

exorbitant rates of price increase in the retail markets affect the domestic consumers. Considering the nutritive value and high preference for mackerels in the country, measures need to be taken to bring down the retail prices of mackerels in the country. Since the export prices of mackerels are well below the retail prices in the country, fixing Minimum Export Prices (MEP) for mackerels may help to curb the exports. In addition, the existing capacity of exporting firms can be effectively diverted for supply of fresh and frozen mackerels to domestic consumers at affordable rates.