

A Tryst With Siffs in Kerala

Debashish Maitra and Kushankur Dey

This umbrella organisation of fishermen's societies has demonstrated how a marketing-based platform, if well managed, can reap rich dividends for traditional, small-scale artisanal livelihoods.

The origin of the South Indian Federation of Fishermen Societies (SIFFS) network, that works in the Marine Fisheries sector, dates back to the Seventies. A diocesan rehabilitation project resettled fish workers from various localities in an uninhabited stretch of coast, later christened Marianad, about 20 km north of Trivandrum, the capital of the state of Kerala. One of the major problems that the fish workers faced in the new settlement was that of marketing their fish catch. The marketing system of the region at that time involved beach auctions. Controlled by merchants and middlemen, the system was inherently exploitative. Confronted with this, the fish workers with the assistance of a team of social workers decided to set up their own marketing system and appointed their own auctioneer. Faced with a determined set of fish workers, the merchants, who till then controlled the business, eventually had to yield. The fishing community then took over a dormant cooperative society that had been registered in the village earlier and started operations formally. This was the first fish marketing society called Marianad Matsya Utpadaka Cooperative Society (MUCS). The society was member-based and marketing-oriented, with membership open only to active fish workers who managed the society themselves. The three core activities of MUCS were marketing of fish caught by members, providing credit for renewal of fishing equipment and promoting savings. This model was gradually spread across to a few adjoining districts of Quilon and Kanyakumari and SIFFS was born with the coming together of all the cooperatives in Trivandrum.

Today SIFFS is the apex body of a three-tier cooperative structure of small-scale artisanal fishermen. Registered in 1980 under the Travancore Literary, Scientific and Charitable Societies Act of 1955. It has adopted a four-pronged approach involving livelihood protection and enhancement using appropriate technology; policy research and advocacy to support the interests of artisanal fishermen; resource management to ensure sustainable livelihoods in fishing; and alternative employment and strengthening of women's livelihoods to diversify the economic base of the community and ensure its all-round development.

With close to 10,000 member fishermen, organised through 156 primary societies at the village level, SIFFS over the last two decades has kept its focus on strengthening the artisanal fisheries. Established essentially as a fish-marketing organisation, SIFFS now provides a range of services to member and non-member fish workers. Today, over 17,987 fish workers including non-members are availing these services. After the success of SIFFS in Kerala and Tamil Nadu,

*the viable, sustainable member-based and market-oriented cooperative model has been replicated in Andhra Pradesh. The Kerala state government has also formed its own cooperative federation -- Matsyafed -- modelled on SIFFS to oversee various cooperative societies.*¹

Fishing As A Mainstay In Coastlines

The Fishery sector was one of the main sources of livelihood for those who lived in the coastal areas of Kerala. It employed a majority of the coastal community in primary, secondary and tertiary sectors associated with fishing. The distribution of 590 km coastline in Kerala is mentioned in Table 1.

Table 1: District wise distribution of coastline of Kerala

Serial No	District	Length of Coast Line	
		Length (in Km)	Percentage of Total
1.	Trivandrum	78	13.20
2.	Kollam	37	6.30
3.	Alappuzha	82	13.90
4.	Ernakulam	46	7.80
5.	Thrissur	54	9.20
6.	Malappuram	70	11.80
7.	Kozhikode	71	12.00
8.	Kannur	82	14.00
9.	Kasargode	70	11.80
Total		590	100.00

Source: Department of Fisheries, Government of Kerala.

The growth of active fishermen in coastal fishing villages has increased over a period of time. The growth of fisherfolk and the employment pattern in the marine sector as well as coastal fishing villages are presented in Table 2 below.

¹ <http://www.siffs.org/index.html>

Table 2: Growth of fishermen in coastal fishing villages and employment pattern in Kerala

Indicator	1961-62	1973-77	1980	2005	Compound Annual Growth Rate of Active Fishers (%)	Employment Pattern (2005)	
(A) Number of Fishermen	74241 (22)	80898 (21)	131101 (20)	140222 (23)	1.46	Primary	Secondary
(B) Marine Fish Sector	-	-	-	-	-	194816	233774
(C) Coastlines Fishing Villages	-	-	-	-	-	140222	71074
Percentage							
(C to B)	-	-	-	-	-	72	30

Source: Sathidhas and Prathap (2009), "Employment Scenario and Labour Migration in Marine Fisheries", Central Marine Fisheries Research Institute (CMFRI), Kerala.

The share of active fishermen to overall population was 23 per cent in 2005. It is evident that out of the total marine sector, inhabitants of coastal fishing villages occupied 72 per cent, which indicates the importance of fishing in these areas.

The Factors Leading To The Formation Of The Cooperative

Lack of Bargaining Power

Fishermen generally sold their catch to the wholesalers at beach markets. They were not able to quote their own prices. Wholesalers and other agents garnered the maximum benefits. Even fishermen were not paid on time. So, this necessitated the formation of an organisation where fishermen could pool their catches and sell them at better market prices through open and public auction. This enabled them to access the market directly, bypassing the middlemen.

Lack of Credit

Fishermen felt the need of credit for different purposes like purchasing and renewal of fishing equipment, repair and maintenance, post-harvest activities, consumption needs etc. The lack of institutional channels to provide credit to serve their purposes affected the fishing activity. This coupled with inequitable distribution of earnings further compounded the plight of the fisherfolk, leading to indebtedness and marginalisation.

Lack of Technology

The fishermen grappled with their age-old indigenous equipment which were gradually becoming obsolete and hence unproductive. Generally, the large softwood used to build traditional canoes became scarce gradually. Modernisation was need of the hour to introduce new fishing crafts, single gear, and methods to suit temperate waters for more fishing. The new boats were manufactured by the private players who priced them high. Being unable to purchase, the small fishermen started becoming marginalised as only the large merchants and fishermen could afford to buy them. Their exploitation by greedy middlemen and unscrupulous merchants along with many other socio-economic problems led small fishermen to start thinking of organising themselves into a cooperative.

Genesis Of Fishermen's Cooperative

The initial developmental efforts in the fishermen community was flagged off by the Bishop of erstwhile Trivandrum, who stepped down from the traditional charity-based approach to adopt the then popular development philosophy of community development. Way back in 1961, the Bishop initiated a community development programme at Marianad, a fishing village 20 km away from Trivandrum. The Marianad Matsya Utpadaka Cooperative Society, the first such intervention of the society was an offspring of these efforts. To even out the malpractices in fish marketing, the society appointed an auctioneer, which auctioned the day's catch to the village merchants. This process, in turn, offered some benefits as compared to the earlier system where the middlemen directly sold the catch to the merchants at profitable prices and offered part or zero payment to the fishermen, who were usually debt-ridden.

Though the new intervention faced resistance from the local business community, the model proved successful and gradually spread to the neighbouring Kanyakumari district. The following figures illustrate the existence of SIFFS as an alternative marketing channel to promote direct marketing to export companies, to even out malpractices in selling practices through auctioning, and to augment market linkages with local agents.

Figure 1: Marketing channel of SIFFS

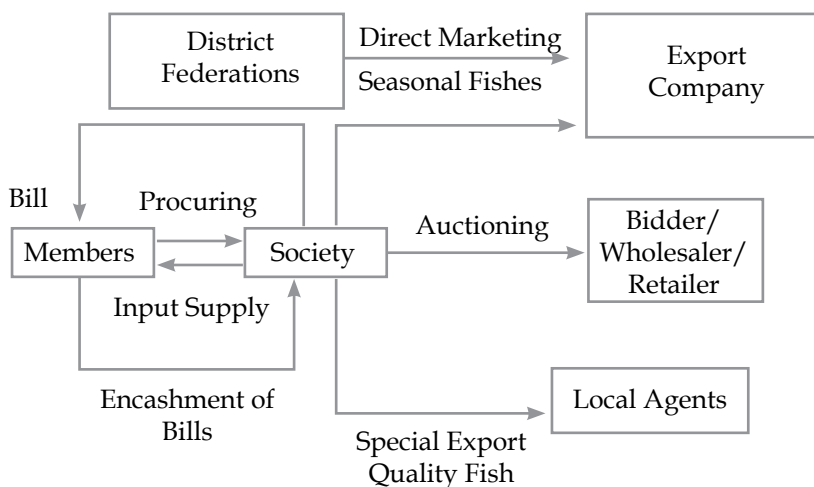
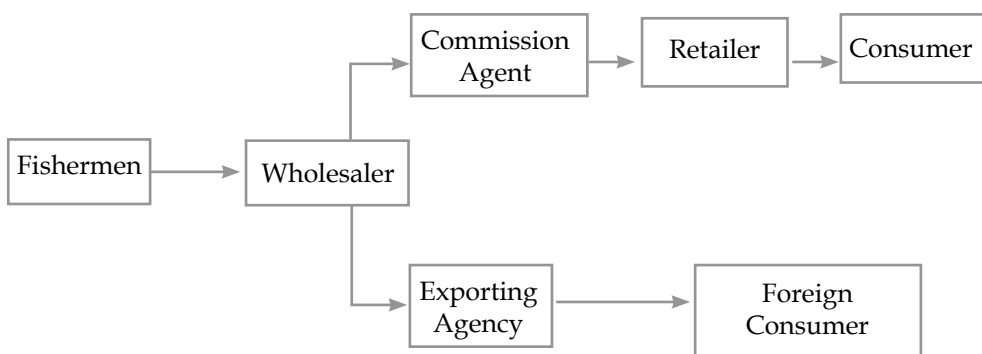


FIG 2: Existing Channel at Market



Source: authors after compilation of notes from various sources; unpublished OTS reports of IRMA (2004, 2006), annual reports of SIFFS (2006-07, 2007-08, 2008-09, 2009-10)

Transforming the Sector

In the late Seventies, Kerala witnessed organised agitation by small-scale artisanal fishermen against the indiscriminate fishing techniques of trawling used by the mechanised sector which was destroying the ecosystem leading to the gradual reduction in the variety of fish species. It was obvious that the organised artisanal fish workers could not defy and fight against the dominant coalition of the mechanised lobby. So the artisanal communities organised themselves both politically and commercially. On the political front, the trade unions formed fought for and defended their rights while the cooperatives were formed to ensure a fair price for the fish and a regular supply of inputs.

After having entered the marketing scene, the society then identified credit and savings as its next area of intervention. Fishermen were traditionally considered non-bankable and they found it difficult to access credit from formal financial institutions. Therefore, credit and savings assumed importance. The society convinced the local bank to lend working capital to the fishermen through the societies. In order to ensure regular repayment streams, it was decided that a fixed percentage would be deducted at source. The problem of variability in earnings was mitigated by keeping aside a fixed amount from the daily sales into the member savings account. This came as a boon to fishermen who earlier, during the lean seasons, had to rely on exploitative sources of credit.

As for the other features of the Marianadu cooperative model, information gleaned from the 2005-'06 archival database of the Institute of Rural Management, Anand (IRMA) reveals that from the member earnings 3 per cent was deducted towards the expenses of the cooperative, 2 per cent as compulsory savings, and 10 per cent towards loan repayment. The members were paid the remaining earnings on the same day or a day later. The system not only ensured uninterrupted payment schedule but also helped them save for future contingencies and other needs. This model was gradually spread across to a few adjoining districts of Quilon and Kanyakumari. It is worth noting that Trivandrum district had 15 such cooperative societies until 2004-'05.

As mentioned earlier, the Trivandrum cooperatives came together to form SIFFS as the apex body, which was registered in 1980, overseeing a three-tier structure -- primary co-operative societies, district level federations. Apart from enhancing the marketing of marine fishes, livelihood protection, and access to technology, SIFFS also undertook advocacy to support the interests of the artisanal fishermen and all round development through alternative employment and women empowerment in Trivandrum, Quilon and Malabar districts of Kerala and Kanyakumari district in Tamil Nadu. In addition to this, SIFFS involved itself in the following other activities:

- promotion of development of fishermen societies and their federations including both membership and cooperative services
- research and development of sustainable fishing technology through supply of inputs for fishing
- processing and marketing of fish catch by setting up cold storage plants and other processing equipment
- information services to enhance digital literacy among fishermen
- financial services through microcredit and other contribution to the fisheries sector, especially fisheries management

History And Growth

Though the federation was conceived mainly to help the fishermen with better fish marketing, that logic did not seem to be feasible or adequate when the federation started its actual work. The logic of a marketing federation seemed feasible and necessary because there was a lack of well-established markets and market linkages. Over the next decade, by the time SIFFS started functioning, the markets were well developed, characterised by low supply and soaring demand, high turnover and low margins already described above. On the actual resource line, there was the problem of marine source depletion, which resulted in decline of fish catches for the small fishermen, who mainly depended on the traditional fishing craft, the catamaran. Technology related to small-scale artisanal fishermen was then recognised as the area of intervention for SIFFS. This intervention was more of an accident than of an orchestrated design.

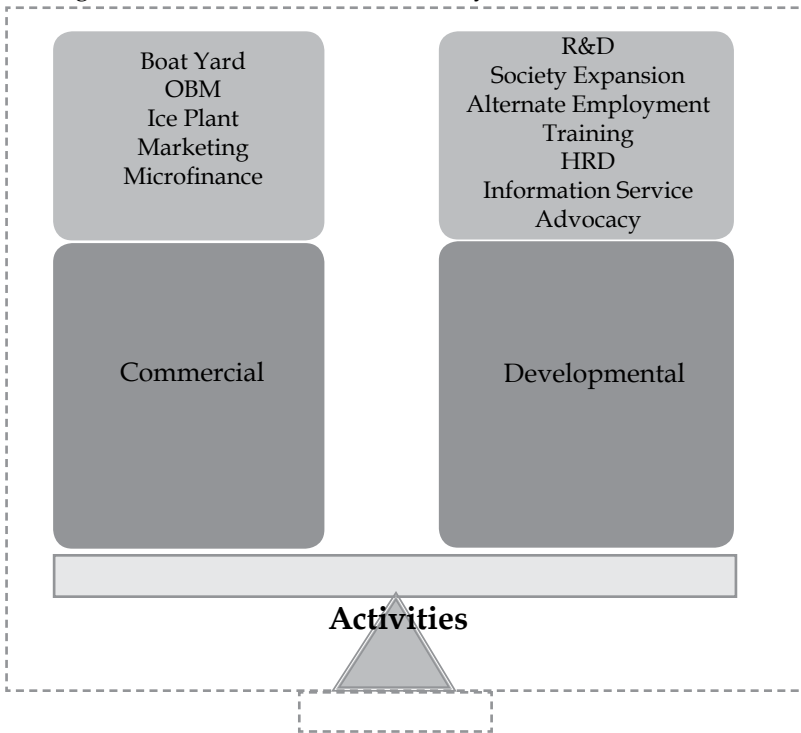
The genesis of this intervention traced back to the work of a Belgium priest, who came to work in the Indo-Belgian project that began in Muttom in Kanyakumari district in 1968. In the '70s, realising that the large commercial trawlers were against the interests of the small fishermen, Fr Gillet, with his expertise in boat-building and fibre glass, started working on an alternative for the traditional catamarans. This was necessitated by the short supply of Albizzia, the timber for these boats and its rising prices. As a result of various experiments and the support extended by the Intermediate Technology Group, U.K., a new boat made of marine plywood was introduced. The boat was an immediate success as fishermen saw it as the ideal vehicle for motorised fishing as compared to catamarans with motors.

In 1982, Fr Gillet, who had already worked closely with primary cooperatives and SIFFS, persuaded SIFFS to set up a boatyard for manufacturing the new boats. The technology intervention of SIFFS came at a time when as an organisation, it was struggling to even out its marketing activities. The boatyard intervention was looked at as a business opportunity and as development work for promoting new technology. The first boatyard was started in 1983 at Anjengo, a village in north Trivandrum. To cater to the demand of these fishermen, Fr Gillet developed the *Plyvallom* and the boatyard at Anjengo became the specialised manufacturer of plywood vallom.

Gradually in 1984, in order to pay due attention to the increasing problems with the imported motors used by the fishermen who lacked adequate knowledge and skills to operate them, SIFFS started a motor workshop. Subsequently, outboard motor (OBM) servicing and training was also put in place.

The federation's activities were steadily increasing and its services were being sought by fishermen from the neighbouring districts of Quilon and Kanyakumari. Out of a felt need to integrate these fishermen from different regions, the present three-tier structure of SIFFS with primary autonomous village level societies, independent district level federations and SIFFS as the apex body was formed (refer to fig 3 & 4). With SIFFS being formed as the apex body, division of activities were carried out between the district federations and the apex body. The federation was given the responsibility of society supervision, credit, fish marketing for the members, handling of assets and the apex body retained only the technology-related work, boat building and OBM services. The apex body was also to undertake activities that were beyond the scope of district federations such as export and import of fish and finding new markets. Further, it had the mandate to set up and hand-hold new societies in new districts.

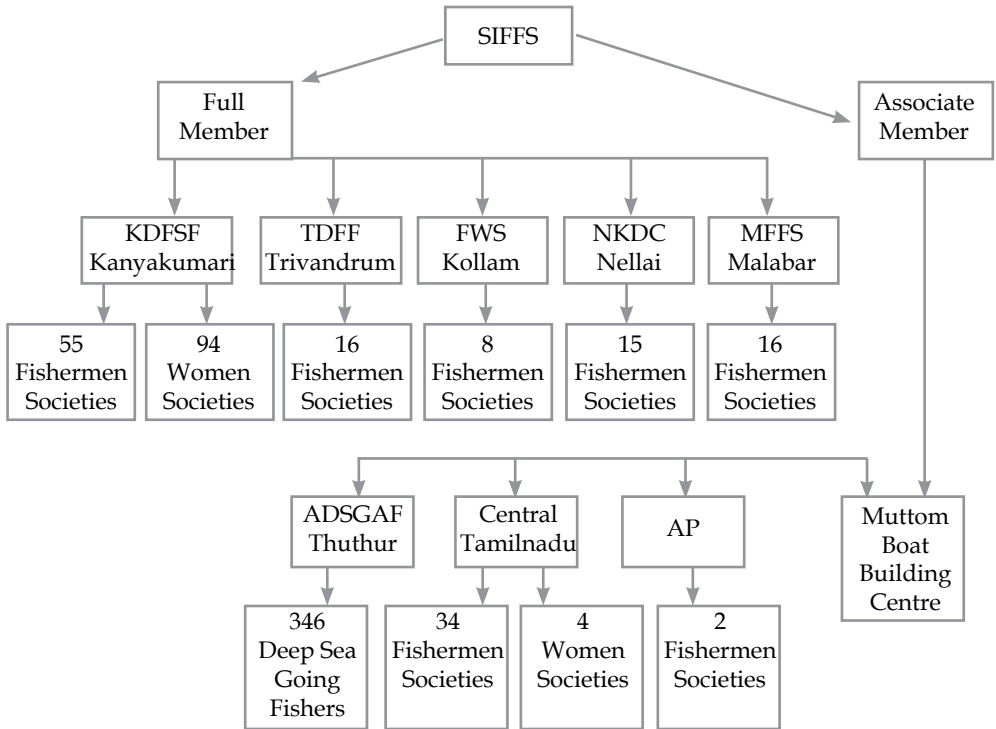
Figure 2: Core of SIFFS as an identity



Though technology intervention such as boat building could not bring in immediate profits, it was needed for long-term benefits not only to the member fishermen but also to others. With this vision, the new SIFFS started off in 1986. With its initial intervention into fish marketing, the expansion of activities of the federation was need-based, responding to the specific needs of the community at various junctures

over the past decade. Thus input supply activities started in the mid-Eighties; microcredit and society expansion in the mid-Nineties, and advocacy and strengthening in late Nineties, and later on the federation focused on alternative employment generation programmes. This is evident from the following depiction (refer to Fig 5).

Figure 3: A cursory view of three-tier structure of SIFFS



Source: SIFFS's annual reports (2008-09, 2009-10)

Figure 4: Growth trajectory in different time period

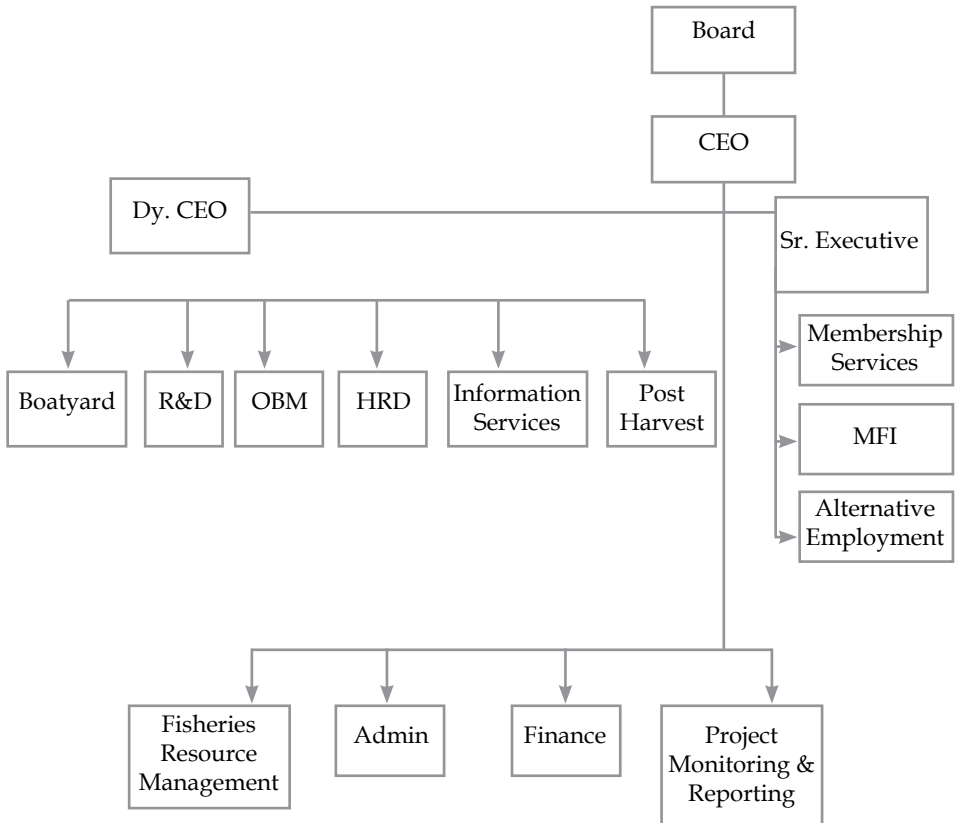


Source: compiled by authors from various presentations and annual reports of SIFFS

The year 2007 marked a further change in the activities of SIFFS. Following its work in post-tsunami rehabilitation, they successfully handed over 451 houses to fishermen in Nagapattinam district.

Gradually this rehabilitation work notched up phenomenal growth with a construction of 1,686 houses in total in Nagapattinam and Kanyakumari districts in March 2010. On the other hand, SIFFS witnessed a new beginning as the then chief executive (CEO) Shri V Vivekanandan, whose contributions over 25 years had been instrumental in the growth of the organisation.

Figure 5: Organisation structure of SIFFS

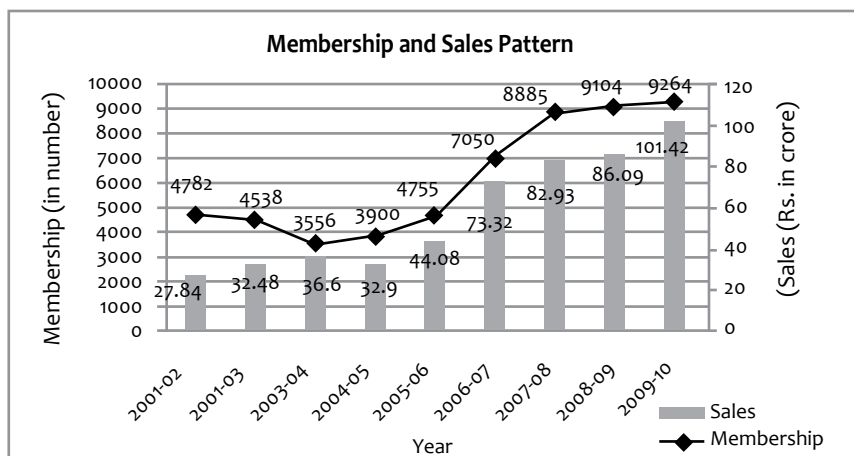


Source: annual report of SIFFS (2009-10)

Impact and Outreach of SIFFS

SIFFS has increased its outreach to 156 societies with more than 9,200 active sea-going small- scale fishermen. The fish sales have already crossed Rs 101 crore. SIFFS has also included 7,600 women in more than 180 groups and also 2,800 fishing families of crews engaged with members in different activities.

Figure 6: Trend of membership and sales



Source: annual reports of SIFFS (2006-07, 2007-08, 2008-09, 2009-10), SIFFS website

Recently SIFFS has started one more initiative to support district federations directly engage with fish exporters, which, in turn, earned revenues for federations. This diversification strategy enhanced SIFFS product portfolios.

Table 3: Direct fish marketing by federation to fish export agencies (in tonne & Rs in lakh)

Item	2008-09	2009-10
Shrimp	36.84	69.65
Cuttle Fish	587.83	214.33
Squid	272.66	172.97
Needle	19.04	59.50
All Species (in tonne)	916.37	516.45
Total (Rs in lakh)	973.11	621.63

Source: SIFFS's annual reports (2008-09, 2009-10)

Boat Yard And Outboard Motor Division

Table 4, 5, 6 reports the performance, turnover of the boatyard and performance of the OBM division respectively. Boat production and OBM had registered a relatively high growth rate of 19.93 per cent and 34.89 per cent in 2009-10 respectively with respect to the previous year. OBM paid off well for SIFFS and its members. SIFFS continued with its efforts to support the supply of Suzuki OBM and tried to keep the price under control. The major challenge that SIFFS faced was the increasing currency value of the yen against the rupee, which eventually reduced profitability in late 2010.

Table 4: Performance of boat building activity

Indicator	2005-06	2006-07	2007-08	2008-09	2009-10
No. of boats produced	773	193	198	144	208
No. of boats repaired	468	604	954	974	709
Sales (Rs. in lakh)	635.03	173.31	169.98	225.09	285.88
Repair (Rs. in lakh)	21.65	33.29	37.95	39.72	32.72
Total turnover (Rs. in lakh)	656.68	406.6	207.93	264.81	317.60
Growth (%)		-38.08	-49.21	27.36	19.93
Profit/Loss (Rs. in lakh)	55.99	-14.48	-12.28	-5.66	

Source: SIFFS3s annual reports (2008-09, 2009-10)

Table 5: Turnover of boat production yard wise [Rs. in lakh]

Place	2005-06	2006-07	2007-08	2008-09	2009-10
Veli	58.42 (59)	61.97 (49)	68.12 (12)	63.02 (32)	57.82 (28)
Vizhinjam	19.99 (2)	23.41 (19)	13.76 (15)	24.27 (13)	65.77 (27)
Needakara	10.67 (10)	6.92 (5)	16.37 (10)	19.31 (9)	19.03 (7)
Thalessary	8.12 (7)	18.98 (39)	12.37 (20)	15.77 (18)	24.50 (48)
Vallevila	101.61 (97)	40.26 (25)	41.44 (22)	74.38 (31)	53.88 (19)
Manakudy	-	-	-	-	6.35 (7)
Tharangampadi	418.95 (556)	14.27 (45)	11.47 (44)	24.35 (27)	51.24 (49)
Ranganathapuram	-	-	4 (4)	0.75 (1)	1.49 (2)
Karaikal	-	-	0.18 (2)	0.42 (4)	-
Kakkinaada	1.62 (9)	0.94 (6)	2.26 (19)	2.84 (9)	5.81 (21)
Managalore	15.65 (15)	6.56 (5)	-	-	-
Total	635.03 (773)	173.31 (193)	169.98 (144)	225.09 (198)	285.88 (208)

Source: annual reports of SIFFS (2006-07, 2007-08, 2008-09, 2009-10), note- number of units is given in parenthesis of each cell.

Table 6: Performance of OBM division

Indicator	2006-07	2007-08	2008-09	2009-10
Number sold	1006	832	583	849
Number repaired	9888	9946	8047	7459
Sales (Rs. in lakh)	542.01	511.74	376.15	627.05
Turnover on repair (Rs. in lakh)	87.95	120.72	168.09	107.08
Total Turnover (Rs. in lakh)	629.96	632.46	544.24	734.13
Growth	-	0.39	-13.95	34.89
Profit/Loss	35.22	50.66	9.97	-

Source: annual reports of SIFFS (2006-07 to 2009-10)

Ice Plants

SIFFS has extended its post harvest management activity by constructing three ice plants at three major locations, one at Vizhinjam in Trivandrum followed by another at Enyam in Kanyakumari and the last one at Karaikkal Medu in Nagapattinam district. Each plant has a capacity of 20 tonne per day. If a plant sells seven tonne of fish per day for 300 days a year, then it breaks even. The establishment of ice plants helped SIFFS in preserving fish when there was a glut of fish landings and selling them to different merchants at reasonable prices as well as becoming a major player in the fish business. The performances of different ice plants are given below.

Table 7: Performance indicators of ice plants

Indicator	Vizhinjam				Enyam				Karaikkal Medu
	05-06	06-07	07-08	08-09	05-06	06-07	07-08	08-09	08-09
Price/block (Rs.)	24	24	22-24	22-37	37	32-37	32-37	32-37	1/kg
Ice produced (blocks)	50729	58292	21550	43031	16600	23410	26825	6898	195600
Ice produced (tonne)	2536	2915	1077	2151	830	1171	1343	345	195.6
Total Sales (Rs. in lakh)	12.17	13.80	4.93*	11.61	6.14	8.51	9.05	2.41	1.96

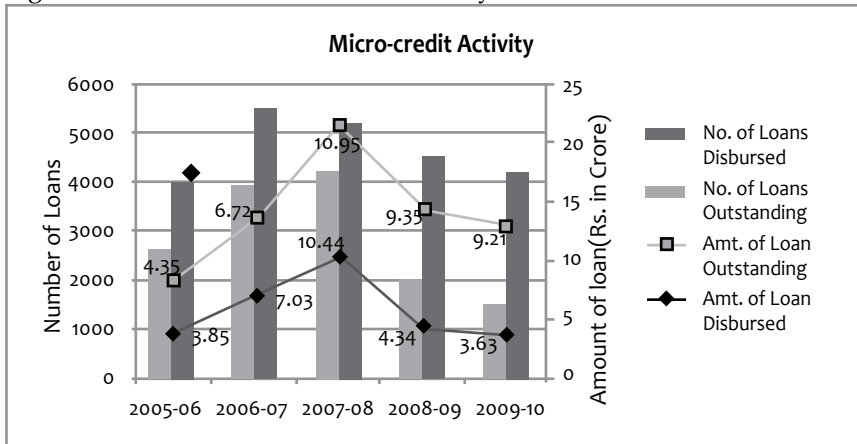
Source: compiled by authors from annual reports of SIFFS (2006-07, 2007-08, 2008-09, 2009-10)

*total sales of Vizhinjam plant went down in 2007-08 due to dismantle of operation of the plants for maintenance works during Jun to Sep of the respective year.

Microfinance Programmes

The microcredit programme was initiated by SIFFS as an additional channel to bridge the gap of credit requirement and credit delivered by different institutions. It was felt critical to the growth and stability of the membership. SIFFS reported Rs 9.21 crore of total outstanding portfolios in 2009-10.

Figure 7: Growth of Micro-credit Activity



Source: annual reports (2008-09, 2009-10)

All the members of the SIFFS network are covered under the Janashree Bima Yojana (JBY) Life Insurance Scheme. An initiative was also undertaken during 2009-10 for launching a micropension programme in partnership with Invest India Micro Pension Services (IIMPS). SIFFS' outlook towards microfinance activity assumed importance to protect fishermen and associated members from earlier interlocking arrangement of money lenders to a great extent.

Insurance And Risk Mitigation

Old Age Security Scheme (OASS)

In order to provide a pension scheme, SIFFS came up with an old age security scheme where a member is expected to deposit Rs 50 per month until 60 years of age. This scheme was put in place to provide financial security to the fishermen who could not fish anymore due to old age.

Table 8: Growth of OASS

Indicator	Year		
	2007-08	2008-09	2009-10
Member	4799	5054	5165
Savings (Rs. in crore)	0.71	1.13	1.31

Source: annual reports of SIFFS (2008-09, 2009-10)

Insurance Schemes

SIFFS' mandate is to cover all its members under the JBY Life Insurance Scheme to reduce the risk of sudden death or any other accident. It has also started with another insurance coverage scheme under the National Insurance Company (NIC) Crew Insurance Policy. The coverage and impact of insurance schemes are given in Table 9 and 10 below.

Table 9: NIC crew insurance coverage

Indicator	Year			
	2006-'07	2007-'08	2008-'09	2009-10
No. of Crew Units covered	3317	2584	3305	2593
Crew members covered	16585	14710	16525	-
No. of claims forwarded	6	8	8	5
No. of claims settled	5	5	5	2
Amount Received (Rs in lakh)	2.50	2.50	2.50	1.00

Source: annual reports of SIFFS (2006-07, 2007-08, 2008-09, 2009-10)

Table 10: JBY LIC coverage

Indicator	Year			
	2006-'07	2007-'08	2008-'09	2009-10
No. of members covered	7049	8737	8838	9200
No. of claims forwarded	15	24	20	19
No. of claims settled	15	19	17	14
Amount Received (Rs in lakh)	5.25	6.15	5.55	-

Source: annual reports (2008-09, 2009-10)

Fish Market Intelligence System (F-Mis)

SIFFS set up a Fish-Market Intelligence System (F-MIS) in 2008 to keep records of fish prices at nine select markets namely, Bangalore in Karnataka, Calicut, Pangode, Parripally, Ettamanoor and Tellicherry in Kerala, and Kaliakavilai, Madurai and Chindariput in Tamil Nadu and 11 fishing harbours in Karnataka, Kerala and Tamil Nadu. Fish prices of 30 species which contributed 75 per cent of the total volume of catches were coded and recorded. This has enabled SIFFS to remain "as close to real time as possible" and be aware of price information for taking timely marketing decisions with immediacy. They also provide price information to a large number of fishermen through digital technology like SMS to keep them abreast of the latest prices.

Post-Tsunami Reconstruction

So far, SIFFS has reconstructed 1,686 houses which were washed away by the devastating tsunami. The reconstruction work was mainly conducted at Tharagambadi, Chinnakudu, Karanstreet, and Puthupalayam villages of Nagapattinam district and Muttom, Poothurai, Vallavilai and Marthandanthurai villages of Kanyakumari district. The houses built under this scheme are given in Table 11 below.

Table 11: Distribution of houses built under post-tsunami reconstruction programme (March, 2010)

Village	No. of Houses	District
Tharangambadi	1091	Nagapattinam
Chinnakudi	213	
Karanstreet	22	
Puthupalayam	45	
Muttom	57	Kanyakumari
Poothurai	82	
Vallavilai	124	
Marthandanthurai	52	
Total	1686	

Source: annual reports of SIFFS (2008-09, 2009-10)

Advocacy

SIFFS has been continuing its support to Alliance for Release of Innocent Fishermen (ARIF) associations, trade unions and NGOs interested in the Indo-Sri Lanka trans-border fishing issues. The aim is to get all fishermen who were arrested for crossing international marine borders released. SIFFS has already succeeded in securing the release of a number of fishermen after holding successive talks with the Sri Lankan Deputy High Commissioner in Chennai.

Challenges And Sustainability

Competition

It has not been easygoing for SIFFS since Matsyafed has started viewing SIFFS as a competitor. Matsyafed, being a government initiative, enjoys some privileges over SIFFS. New government policies and subsidies go to Matsyafed members, which eventually discourage new members from joining SIFFS. It is evident that small-scale fishermen perceive a one-time subsidy more beneficial than SIFFS' long-term support of various resources. Matsyafed provides 50 per cent subsidy or Rs 20,000 (whichever is less) on outboard motor below 10 HP and Rs 6, 000 per craft for gear. Matsyafed also promises to provide 25 per cent of the cost of new generation of fishing craft as subsidy.

Overfishing and Marine Resource Depletion

SIFFS has also been battling the issue of depletion of marine resources due to over fishing. Overfishing is again caused by the use of inappropriate technology, burgeoning market demand for marine fishes for both the domestic and export market, subsidies given by the government and overcrowding of non-active fishermen on coastal lines after the Tsunami due to the many livelihood support programmes. The use of the trawling method to catch demersal fish living at the bottom of sea and seine fishing to catch pelagic fishes living at the surface of water column causes depletion of marine resources. This is further compounded by the overuse of fishing nets and out-board motorisation. All of this adversely affect active fishermen and therefore SIFFS as well.

Changing the Marine Fish Production Scenario

The table below shows the declining trend in growth of marine fish production in Kerala whereas the growth of inland fish production has gained momentum. This has created significant challenges for SIFFS and its members who are grappling with the challenge of doing business on the basis of marine fish only.

Table 12: Deceleration of Marine Fish Production vs. Inland Fish Production in Kerala

Year	Marine Fish Production (tonne)	Inland Fish Production (tonne)
2000-01	566571	85234
2001-02	593783	78039
2002-03	603286	75036
2003-04	608520	76180
2004-05	601863	76451
2005-06	55891*	7798*
2006-07	598057	79572
2007-08	586286	81041
2008-09	583150	102482
2009-10	570013	93108

Source: Ministry of Agriculture and Ministry of Statistics and Programme Implementation, Govt. of India.

*Production decreased due to the natural calamity, tsunami.

Profitability of Boatyards and Ice Plants

Boat production has been facing challenges on account of profitability. Although it registered a growth rate of 19.93 per cent in 2009-10, it has

been running at a loss due to high overhead costs and price control (see Table 4). Nevertheless, turnover at Vizhinjam and Thrangampadi have improved whereas Veli and Vallevila accounted for a sharp decline in total production of boats (see Table 5). SIFFS has been facing challenges on account of higher boat prices due to VAT, sales tax etc. vis-a-vis competitors in the informal sector and easy credit availability from private agents. But on the flip side, VAT has levelled the field between SIFFS and others like Matsyafed.

SIFFS also faces the problem of profitability of both the ice plants situated at Vizhinjam and Enayam. The proximity to the sea affects the functioning of the Enayam ice plant. Regular breakdowns push up the cost of maintenance. Hence, overall ice production and profitability suffer. As per estimation each plant has to produce 2,100 tonne per year in order to remain at a no-loss-no-profit state. But recently it has been observed (see Table 7) that the Vizhinjam plant managed to make a small profit except in the year 2007-'08 when the plant was shut due to maintenance works. The Enayam plant has not been able to reach even the break-even point, incurring losses for the organisation.

Repayment Rate

There was significant decline in the cumulative repayment rate (CRR) and one-time repayment rate (OTRR) due to poor performance of the Kanyakumari and Trivandrum federations. Repayment was not healthy enough across federations.

Table 13: Cumulative rate of repayment and one-time rate of repayment at different federations of SIFFS

Federation	CRR			OTRR		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Kanyakumari	93.55	88.83	77.65	84.09	81.19	67.52
Trivandrum	91.77	86.03	66.68	79.76	75.67	58.82
Kollam	77.13	92.96	98.78	48.93	92.72	55.17
Kozhikode	88.42	89.80	90.90	75.55	76.06	76.81
CTN	88.84	87.83	89.23	87.57	85.31	85.75
NKC	-	70.04	46.58	-	13.20	8.78
GOM	61.43	43.37	42.99	60.74	42.64	35.57
SNVF	98.26	98.63	98.90	85.18	88.90	89.61
KDFSF-Women	-	83.34	98.62	-	81.83	90.03
Kakkinnada-AP	88.42	55.77	69.68	75.55	46.73	53.37
ADSGAF	92.58	91.64	90.91	53.60	54.36	53.66
SIFFS	91.15	91.87	84.45	76.27	77.67	71.69

Outstanding

Better than SIFFS

Par below SIFFS

Source: annual reports of SIFFS (2006-07, 2007-08, 2008-09, 2009-10)

Portfolio risks (PAR) at 30 days and 90 days were much below the satisfactory level. Members from Kanyakumari, Trivandrum, Kozhikode and Gulf of Mannar needed to improve the quality of operations. It was reported that yield on portfolio significantly came down to 7.75% from 11.97% in 2008-'09 as cost of funds substantially increased.

Table 14: Portfolio-at-Risk (PAR) of different federations

Federation	PAR 30			PAR 90			PAR 180		
	06-07	07-08	08-09	06-07	07-08	08-09	06-07	07-08	08-09
Kanyakumari	3.83	16.86	51.25	3.16	13.47	48.96	2.59	5.65	45.27
Trivandrum	16.91	28.35	78.24	16.08	24.88	75.30	14.63	13.37	57.86
Kollam	99.75	-	-	99.52	-	-	98.89	-	-
Kozhikode	39.43	44.82	49.48	35.77	41.66	46.84	30.03	37.86	45.89
CTN	10.31	12.71	23.48	6.09	9.27	19.83	1.42	8.01	15.98
NKC	-	92.85	100	-	-	100	-	-	100
GOM	29.91	66.96	96.46	16.76	58.26	93.85	10.21	45.71	84.03
SNVF	5.81	11.45	18.51	4.39	10.73	18.25	4.00	8.47	17.91
KDFSF-Women	-	1.27	0.36	-	1.27	0.15	-	1.27	0.15
Kakinada-AP	39.43	61.76	51.17	35.77	56.27	38.01	30.03	33.19	28.78
ADSGAF	48.43	62.48	100	48.43	62.48	100	48.43	54.23	70.41
SIFFS	17.41	20.68	50.08	15.88	15.49	47.62	14.30	8.91	41.26
Outstanding		Better than SIFFS			Par below SIFFS/Much Risky				

Source: annual reports (2006-07 to 2009-10), note-06-07, 07-08 and 08-09 signify 2006-07, 2007-08 and 2008-09 respectively

Diversifying Livelihood And Employment

Training was provided to youth who were school drop-outs. Almost 300 youth were trained and 22 of them were successfully placed with various companies. Therefore, it helped to lessen the burden on fishing livelihoods and opened up new avenues for income generation. SIFFS also imparted vocational training to hone their skills for need-based jobs as alternative sources of employment.

Replication Of Siffs' Footprint

After success in Kerala and Tamil Nadu, SIFFS has already replicated and expanded its viable, sustainable member-based and market-oriented cooperative model in Andhra Pradesh. In AP, it has established two fishermen societies. The Kerala state government has also formed its own cooperative federation, Matsyafed, modelled on SIFFS to oversee various cooperative societies.

Road Ahead

The challenges and sustainability issues described above had been anticipated by SIFFS former CEO Vivekanandan. He had clearly identified the woes of artisanal fishermen and anticipated dramatic changes in the domestic and international fish market with respect to eco-labelling, quality standards, and other non-tariff barriers. He had also emphasised the need for resource conservation (the possibility of co-management) and management as a recourse not only to make the business sustainable but also to uplift the socio-economic status of small fishermen.

Key Insights

SIFFS being one of the prominent NGOs tended to play an active role in providing livelihoods for fishermen communities; it marked a dominant position in the realm of the state economy by augmenting infrastructural facilities and exports of special quality fishes.

Insight 1: Collective Action is Essential for Development of Small Producers

Through the successful management of primary societies for more than two decades and extension of such societies in other states, SIFFS has demonstrated that marketing cooperative societies in the coastal villages are viable and sustainable. Moreover, it tightened the knot on existing primary societies, wherever possible, under a common banner by providing an associate membership to them. This, in turn, enabled the societies to channel their resources, approaches and efforts in an organised and efficient manner.

Insight 2: Collectives need to establish controls over different types of markets, produce, credit, input, and technology and they need to look into the future, predict changes and work on responses.

SIFFS had succeeded in designing and developing varieties of boats, which served as an alternative to mechanised boats and competed successfully with them. This had essentially improved the economic wellbeing of fisherfolk and thereby contributed in an indirect way towards the alleviation of poverty among the fishermen communities. At the same time, it had also led to new concerns. The unabated growth of plywood boats with outboard motors and their over presence and over fishing also contributed towards rapid depletion of marine resources. So, in response to externalities, SIFFS had dedicated efforts towards research and development of marine resources. Eventually the R & D team attempted and succeeded in creating new crafts for better fishing. Finally, the cooperatives extended their help in curbing the influence of middlemen in fish selling and marketing by addressing the needs of the members.

Insight 3: Autonomy of Producers and Self-reliance are Determinants of Success

SIFFS has facilitated the collective decision-making process among communities of small fishermen at the village level. Consequently, the communities are not only conscious of socio-economic and political developments, but have also responded to such developments intelligently.

Insight 4: Networking is One of the Important Rules of the Game

SIFFS encouraged the emergence of other organisations in the fisheries sector and built useful networks with these organisations. It sought the assistance of and lent assistance to these organisations in their day-to-day functioning. Therefore, it enhanced social relations among the organisations and eventually strengthened social capital.

References

1. Annual Report (2006-07), South Indian Federation of Fishermen Societies (SIFFS); (2007-08), South Indian Federation of Fishermen Societies (SIFFS); (2008-09), South Indian Federation of Fishermen Societies (SIFFS); (2009-010), South Indian Federation of Fishermen Societies (SIFFS).
2. Abraham, J. and R. Rajesh (2004), "Fish Market System Study", unpublished OTS report, IRMA.
3. Aneesh, A. and P. Pillai (2006), "Organizational Understanding of South Indian Federation of Fishermen Societies", unpublished OTS report, IRMA.
4. Department of Fisheries, Government of Kerala (www.fisheries.kerala.gov.in)
5. Matsyafed (<http://www.matsyafed.org>)
6. Ministry of Agriculture, Government of India (<http://www.agricoop.nic.in>)
7. Ministry of Statistics and Programme Implementation, Government of India (<http://www.mospi.nic.in>)
8. Sathidhas, R and S. K. Prathap (2009), "Employment Scenario and Labour Migration in Marine Fisheries", Central Marine Fisheries Research Institute (CMFRI), Kerala, *Asian Fisheries Science*, 22: 713-727

10. Vivekanandan, V. (2009), A workshop on “Building Capacity for Sustainable Governance in South Asian Fisheries: Poverty, Wellbeing and Deliberative Policy Network”, Chennai, India (<http://www.wellcoast.org/wp-content/uploads/docs/Workshop%203%20report%20BSG.pdf>)