2. STATUS OF CANNING INDUSTRY
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Till the close of 1960 export of Indian marine products mainly consisted of dried items like dried fish, dried shrimp, shark fins, fish maws etc. The frozen items entered in the export basket in 1953 in negligible quantities. From 1961, the export of dried marine products was on decline and exports of processed items were making steady progress. With the devaluation of Indian currency in 1966, the frozen and canned items registered a significant rise. These items continued to dominate the trade. Markets for Indian products spread fast to developed countries from the traditional buyers in developing countries.

Before 1960, the markets for Indian marine products were largely confined to neighboring countries like Srilanka, Myanmar, Singapore etc. This position continued as long as dried items dominated exports from India. When the frozen and canned items increasingly figured in our exports, the sophisticated affluent markets like USA, France, Australia, Canada, Japan etc become important buyers. Processing units with modern machinery for freezing and canning came up at all important centers to process and pack for exports.

Over the years, the frozen seafood markets for Indian marine products have witnessed changes. The USA was the principal buyer for our frozen shrimp for a long time but after 1977, Japan emerged as the principal buyer for frozen shrimp followed by the Western European countries. In the nineties South East Asian countries emerged as another important market due to the import liberalization in these countries.

2.1 Canning Industry in India- The past:
First canning factory in India was established in the year 1911 at a place called Chaliyam in the present Kozhikode district of Kerala. This had to be wound up after operation for about one and a half decades for several reasons like non
availability of cheap containers, poor and uninterrupted supply of raw material, high processing costs and inability to compete with better quality imported products. The industry was later revived in India in the late fifties, mainly intended for canning of prawns for the export market. Export of this commodity started in the year 1959 which after touching the highest record of 2,200 tonnes worth Rs.52.4 million in 1973, recorded a step fall due to the very same reason that caused the closing down of the first fish canning factory in the country. Thus the fish canning industry in India is almost a dead industry.

2.2. Major Products Exported
Among the canned marine products exported from India, shrimp was the most imported item. The other canned items are canned crabmeat, canned clam, canned tuna and canned fish. When offered in international trade, Indian shrimp are commercially classified according to different grade. The most common are:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Pcs/125 gm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Jumbo</td>
<td>&lt;10</td>
</tr>
<tr>
<td>Jumbo</td>
<td>10-13</td>
</tr>
<tr>
<td>Large</td>
<td>13-20</td>
</tr>
<tr>
<td>Medium</td>
<td>21-34</td>
</tr>
<tr>
<td>Small</td>
<td>35-53</td>
</tr>
<tr>
<td>Tiny</td>
<td>&gt;53</td>
</tr>
</tbody>
</table>
The major Indian canned fish products are

- Shrimp in brine
- Sardine in oil
- Sardine in tomato sauce
- Tuna fillets in oil
- Tuna chunks in oil
- Marlin fillets in oil
- Marlin chunks in oil
- Smoked oyster in brine
- Smoked oyster in oil
- Sailfish fillets in oil
- Sail fish chunks in oil
- Pink perch in oil
- Pink perch in tomato sauce
- Red mullet in oil
- Red mullet in tomato sauce
- Mackerel fillets in oil
- Mackerel in brine
- Mackerel chunks in oil
- Swordfish fillets in oil
- Swordfish chunks in oil
- Smoked clam in oil
- Smoked clam in brine
- Smoked mussel in brine
- Tuna with green peas in oil
- Tuna with green peas in tomato sauce
- Tuna with mixed vegetables
- Tuna with beans in tomato sauce
2.3 International Trade on Canned Seafood

Global trade of canned seafood during 2001-2002 worked out to be 9379 million US dollars. Export of canned seafood reached its zenith in 1997-98, which was found to be 9476 million US dollars. The USA, UK, France, Japan, Germany and Canada were the leading importers. Thailand is the major exporter of canned fishery products and become the market leader by exporting 2069 million US dollars of canned seafood. China is the next dominating country with an export of 1336 million US dollars. Thailand and China accounts for about 33% of the total international trade of canned seafood exports. Other major players of canned seafood are Denmark, Canada, Spain, Republic of Korea, Germany, USA, France, Netherlands, Japan, Ecuador, Chile, Morocco and Norway. In 2000-2001 canned shrimp was the major traded canned fishery product. The value of the canned shrimp exported globally was about 1943 million US dollars in 2001-2002. Other major fishery products that was canned and exported in 2001-2002 were canned tuna, canned river eels, canned mollusks, canned crab meat, canned crustaceans, canned European sardine and canned lobster tail or meat.

2.4 Status of Canning Industry in India

India exported very insignificant quantity of canned shrimp amounting to 3.5 tonnes valued at 4.4 lakh rupees in 1996. This quantity was less than 1% of the total seafood exports of 3,53,675 tonnes during that year. There after no significant export of canned seafood has taken place. Most of the canned seafood production is going for the defence supplies and small quantity to the domestic market. In the fifties and sixties India exported sizable quantities of canned shrimp. Cost of tin plates can is highest in the world in India. Recently some companies have ventured into the indigenous manufacture of containers.

Among the canned marine products exported from India, shrimp was the most imported item. The other canned items were canned crabmeat, canned clam,
canned tuna and canned fish. India has been exporting canned products to USA, UK, UAE, Russia, erstwhile Yugoslavia, Australia, France and Netherlands. Market surveys made by MPEDA have identified Hong Kong, Singapore, Philippines, Middle East and African countries as potential markets for canned fish. Canned sea foods like sardine, tuna, mackerel and anchoviaella are acceptable in many markets abroad.

There are 25 canning units registered with MPEDA and are having a production capacity of 84 tonnes/day. Out of these only two units are well equipped and in good working condition. Except the canning plants run by the Lakshadweep department of Fisheries at Minicoy Island, Integrated Fisheries Project at Cochin and 3 units run by the private companies, all other units have been declared sick due to high cost of production.

The fish canning industry heavily banks on the indigenous Sulphur Resistance Lacquered three-piece tin cans; one of the factors affecting the growth of canning sector is the inadequacy of indigenous tin cans with respect to their quality and price. The quality of lacquer, the finish and diversity are elements essential to ensure shelf life and appeal the consumers. Gauge of the sheet used is often thicker than what is required, causing inconvenience in opening and adding to the total freight. Poor quality of lacquer often results in its peeling off leading to sulphide blackening and adds metallic taste to the product eventually reducing its appearance and flavour.

In India, the price of the can alone works out to nearly 30% of the cost. Added the cost of labels, cartons and other items this shoots up to 50% of the total product cost, making it ill affordable to the average Indian consumer and not competitive in most of the overseas market. It may be seen that countries where the can cost is reasonable are ruling the canned fish sector even on as imported raw material base. Its therefore, felt that Indian canning Industry should be
essentially supported by adequate supply of suitable alternative cans at competitive rates.

2.5. Major Markets for Canned Fish
India has been exporting canned products to USA, UK, UAE, Russia, erstwhile Yugoslavia, Australia, France and the Netherlands. Market surveys made by MPEDA have identified Hong Kong, Singapore, Philippines, Middle East and African countries as potential markets for canned fish. Canned seafoods like sardine, tuna, mackerel and anchoviella are acceptable in many markets abroad.

2.6. Prospects of Reviving the Indian Seafood Canning Industry
By exporting canned seafood items we can earn foreign exchange not only for the product packed, but also for the packaging materials and additional labour involved in the pre processing, processing and packaging operations. Apart from the high cost of tin plate containers which were imported, the non-availability of small sized shrimp for canning purposes due to severe competition for such shrimps from the freezing sector was the main reason that caused sickness in the canning sector. Many countries import frozen shrimp from India and use the same as raw material for canning/re processing etc and export to third countries as their products even now. This situation in raw material availability had changed to some extent. The over seas market for small sized frozen shrimp had fallen considerably owing to over supplies by our competitors who dumped cultured shrimp at cheaper prizes. The problem of non-availability of adequate quantities of small sized shrimp no longer exists and the industry has therefore to take advantage of this situation. Canned tuna is the other most sought out product in the global market. Although we had a very good tuna resource in our deeper waters we have not yet actively ventured for the oceanic tunas. By exploring the deep-sea tunas we can produce quality-canned tuna, which will fetch a high price, compared to raw tuna.
The availability of raw material at competitive or reasonable prices alone cannot be considered for reviving the canning industry. The cost of cans or packaging materials should be brought down to meaningful levels. The most common material used by the fish canning units in the country is tin plated steel commonly referred as tin plates, due to its strength, toughness and malleability. Although tin cans have a long usage in our fish canning industry, packing materials such as aluminium alloys and laminated aluminium foils need introduction in view of the fact that they are indigenously available and the bulk of the canned seafood consumed in the world is being packed in aluminium.

By revitalizing the canning industry, the country can establish a vast finfish based processing industry, where the raw material is available at a comparatively cheaper price. The fish like tuna, sardine, mackerel and others now being exported from the country to neighboring countries in the form of raw material could be canned with value addition with our sound infra structure and availability of relatively cheap labour. In this way prospects for developing as export oriented canning industry are very bright. Its relevant to draw examples from Maldives, Mauritius and Seychelles where massive canneries bank only on their rich raw material base and successfully run a global trade in canned seafood by heavily relying on imported material and expertise inputs. Although the Government of India has completely exempted the processed foods from excise duty but this has not helped much in boosting our processed food exports since the cost of packing processed food is about 30 - 40% of the cost of the total pack.

One of the reasons attributed to the death of the canning sector is the technical complexity and the large scales of production required for profitability overcoming the high cost of production. Recent research findings offer enormous potential by the use of indigenous aluminum cans and retortable pouches; the initial results of such technological advances are encouraging. Another major
factor that hampered the growth of our canned seafood sector was the quality problems like underweight, low quality container and corrosion, excess salinity in the brine etc. We were not able to compete with superior quality canned fishery products produced by Thailand. We should give more emphasis to the quality standards and ensuring the quality of the packed finished product. In the highly competitive global market, Indian seafood canning industry should be able to provide quality product at a reasonable price.