

Chapter-4

Strengthening of Fisheries Cooperatives to function as FFPOs



1. Introduction

- 1.1. Indian fisheries sector boasts a robust network of cooperatives, acting as a vital engine for growth in both marine and inland fisheries. This network taps into the vast potential of inland resources, encompassing rivers, lakes, reservoirs, ponds and other open waterbodies. Currently, a well-established ecosystem of 28,322 fisheries cooperatives empowers over 39.67 lakh members across the country. These cooperatives, ranging from primary-level societies to national-level federations, have been playing a crucial role in driving socio-economic development within the fishing community.
- 1.2. However, there is an opportunity to optimize performance of the fisheries cooperatives. Only half of the primary-level cooperatives are fully operational, underlining the need to strengthen their economic footing through enhanced funding. These cooperatives hold significant potential for improvement in key activities like fish production, processing, marketing, value addition, technology infusion and streamlining operations. Notably, some cooperatives demonstrate exceptional promise and could be well-positioned to function as Fish Farmer Producer Organizations (FFPOs).
- 1.3. National level and state level federations, district and primary-level fisheries cooperatives have the potential for increasing fish production, improving processing and marketing with better bargaining power and modernizing the value chains. However, there are challenges in the form of knowledge and technology gaps, weak management and operational structure, financial vulnerability, lack of institutional credit, resource constraints, limited market linkage etc. preventing them from delivering outputs commensurate with this potential.
- 1.4. In view of the above and in order to strengthen their managerial and operational capacity, the Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana (PM-MKSSY) provides for formalization and strengthening of 5,500 fisheries cooperatives as FFPOs during the planned period of the Sub-scheme.

2. Aims and Objectives

The broad aims and objectives of the components are:

1. Formalization of fisheries cooperatives into FFPOs
2. Unlocking the full potential of the fisheries cooperative sector
3. Empowering of fisheries cooperatives to be self-reliant and sustainable
4. Making fisheries cooperatives economically vibrant

3. Eligibility Criteria

The eligibility criteria for selection of fisheries cooperative for financial assistance for formalization as FFPOs will include the following.

1. The cooperative shall consist of Fish Farmers, Fishers, Fish Workers, Fish Vendors, entrepreneurs, or any other person(s) associated with fisheries and aquaculture value chain activities.
2. The fisheries cooperative should have minimum members as specified below

Cooperative	Minimum number of members	
	For Plains	Hilly/Himalayan and North-eastern regions
Primary level fisheries Cooperative	35 members	35 members

3. Fisheries cooperative society should be registered and operational for last three (3) years.
4. Fisheries cooperative society should have an elected and active board.
5. Fisheries cooperative societies already supported for this purpose under PMMSY or other Government Scheme or where business plans have already been prepared by CBBOs will not be eligible.

4. Category-wise Potential Fisheries Cooperatives

- 4.1. Indian fisheries and aquaculture sector possesses a robust network of 28,322 fisheries cooperatives, comprising National level Federation, state-level federations, district level cooperatives/Federations, regional level cooperatives/Federations, and primary-level fisheries societies. These cooperative bodies play a crucial role in driving socio-economic development of their members.

4.2. However, the PM-MKSSY envisages strengthening of a total of 5500 fisheries cooperatives to function as fish farmers Producers Organizations (FFPOs) to make them as economic vibrant organizations. The category-wise cooperatives to be considered for assistance under the PM-MKSSY are furnished below:

S.No	Type of Fisheries Cooperative	Number of category-wise cooperatives
i	Primary Fisheries Cooperatives	5500

4.3. Considering the facts that geographical location plays a significant role in shaping developmental strategy and keeping in view the geographical balancing in spreading the fisheries cooperatives proposed to be assisted under PM-MKSSY, it is envisaged to identify the potential fisheries cooperatives registered/existing in all the States/UTs.

4.4. In case of non-registry, inadequate registry and timely submission of requisite details as per the registration prescribed proforma from any of the States/UTs under NFDP, the DoF, GoI has a liberty to transfer such left-over & targeted fisheries cooperatives to other potential States/UTs making the lateral and vertical inter-se allocation of the left-over fisheries cooperatives.

4.5. State/UTs wise tentative allocation for selection of Fisheries Cooperative is at [Annexure-II](#) (Page No.160)

5. Financial Provision

The PM-MKSSY envisages formalization and strengthening of a total 5500 fisheries cooperatives to function as FFPOs. An amount of ₹ 2 lakh is earmarked for each selected fishery cooperative. Activity wise break-up of the unit cost is given below:

S. No.	Activities	Unit cost (in ₹)
1	Gap analysis of the identified fisheries cooperative and preparation of a suitable business plan including mentoring and institutional charge of 2.5%	1,00,000
2	Need based financial support viz. Office requirements, Office Furniture, and equipment etc.	90,000
3	Training and capacity Building of selected Cooperative	10,000
	Total	2,00,000

6. Modalities for Implementation

6.1. By leveraging the expertise and resources of National Cooperative Development Corporation (NCDC), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), Small Farmers' Agri-Business Consortium (SFAC) and Northeastern Regional Agricultural Marketing Corporation (NERAMAC) Limited as an Intermediary Agencies (refer section-8.2, Page No.11), the DoF, GoI shall create support system for formalization and strengthening of fisheries cooperatives. This collaborative approach with an array of interventions like awareness, capacity building, mentorship, financial support, market access, and monitoring, will empower fisheries cooperatives to function as FFPOs. The DoF, GoI will act as the lead agency and NFDB shall coordinate with all the intermediary agencies.

6.2. The breakdown of the implementation modalities is given below:

6.2.1. Outreach for Identification and Mobilization

- a. The identification and mobilization of fisheries cooperatives shall be undertaken through NCDC, NAFED, SFAC, and NERAMAC in the assigned states to them

- b. These intermediary agencies/NFDB shall reach out to the existing active fisheries cooperatives through awareness campaigns regarding the benefits of functioning as FFPOs and financial assistance available.
- c. These agencies will identify the interested and potential cooperatives and mobilise them to apply in NFDP under “Cooperative Module”.
- d. With the help of intermediary agencies, the selection committee shall shortlist and select the fisheries cooperatives for formalization and strengthening through mentoring, capacity building and need based financial support.

6.2.2. Needs Assessment and Capacity Building

- a. The intermediary agencies will do gap analysis of the selected fisheries cooperative. This will include evaluation of their existing infrastructure, governance structure, financial management practices, potential for growth etc. Indicative parameters for gap analysis of selected fisheries cooperative are at Annexure-IV (Page No.167)
- b. Based on the assessment, the intermediary agencies shall prepare a suitable and viable business plan for the selected fisheries cooperative
- c. The intermediary agencies will also design suitable training modules to address the identified gaps in the capacity building needs and impart training accordingly.
- d. Intermediary Agency shall submit the financial proposal for the Needs Assessment and Capacity Building of the selected fisheries cooperative to respective cooperative.

6.2.3. Mentorship and Business Development

Intermediary agencies will extend mentorship and support to handhold fisheries cooperatives on business development.

6.2.4. Market Access and Linkages:

- Intermediary agencies may assist in establishing market linkages with wholesalers, retailers, processors, and potentially even exporters.

- Intermediary agencies will help cooperatives participate in trade fairs and exhibitions to promote their products.

7. Process of Application and Disbursement of Grant

7.1. Application in NFDP

1. All the fisheries cooperatives will be required to register on the National Fisheries Digital Platform (NFDP) developed under PM-MKSSY.
2. For availing the benefits under PM-MKSSY, interested eligible fisheries cooperatives shall make online application in the “**Cooperatives Module**” on NFDP after registration.
3. After successful submission of application, the applicant will be able to track the status of its processing on NFDP. Status of the application will be shared to applicant via registered email and SMS on registered mobile number.
4. Online Application Form is at [Annexure-III](#) (Page No.162)

7.2. Processing of Application

1. There shall be a Selection Committee as per **Section 8.2 (Page No. 65)** to scrutinize and shortlist the application received online through NFDP.
2. The scrutiny of application shall be based on eligibility criteria including technical and economic standard, institutional strength, business potential, sustainability, impact potential, existing infrastructure, resources, demonstrated commitment to collective action etc.
3. Upon preliminary scrutiny by the Selection Committee, in case application is not found fit for consideration within the scope of this Grant, the application shall be summarily rejected with reasons. In case of rejection, the cooperative may apply afresh.
4. In case application is found to have deficiencies or discrepancies upon preliminary scrutiny, the cooperative will be advised to rectify the application by furnishing missing/ additional information online through NFDP for further processing.
5. Application which is found in order and complete in all respect on preliminary scrutiny, the Selection Committee shall refer the shortlisted application to PMU,

DoF. Shortlisted Cooperative will be intimated by PMU about selection for submission of Grant Proposal

6. Flow chart of process of Application is given below in [Figure-1\(Page No.63\)](#)

7.3. Process of Approval of Grant Proposal

1. Selected fisheries cooperative shall submit grant proposal online through NFDP.
2. PMU, DoF shall examine grant proposal and compile their comments/observations for consideration of Grant Sub Committee (GSC).
3. In case GSC finds deficiencies in the grant proposal, the PMU will advise the selected fisheries cooperatives to rectify deficiencies. On receipt of duly rectified grant proposal from the fisheries cooperative, PMU shall examine and submit for consideration of GSC
4. In case the grant proposal is found in order, GSC will make necessary recommendation to GC for its approval and accordingly Administrative Approval and financial sanction shall be issued.
5. Flow chart of approval of Grant proposal is given below in [Figure-2 \(Page No. 64\)](#)

7.4. Fund Disbursement

1. Fund to Primary Fisheries Cooperatives shall be done as per financial sanction on submission of gap analysis and business plan.
2. Intermediary Agency will submit quarterly the bills to DoF and Fund will be disbursed as per the conditions of Financial Sanction for gap analysis and business plan and for imparting training.

7.5. General Condition for Release of Fund

The selected fisheries cooperative shall ensure the following after release of Grant:

1. Submission of gap analysis and business plan within 3 months from the date of issuance of financial sanction.
2. Submission of Utilization Certificate (UC) for the released Grant as per the prescribed proforma under General Financial Rules (GFR).

3. Utilization of the central funds strictly in the lines with the guidelines and no diversion of central funds for any other purpose shall be allowed.
4. Maintenance & preservation of proper records on the expenditure incurred on implementation of the approved proposal/project, produce the same as and when desired by the DoF, GoI
5. Completion of the activities in proposal as per the approved cost and within the planned project period of the sub scheme.

Flow chart of process of Application

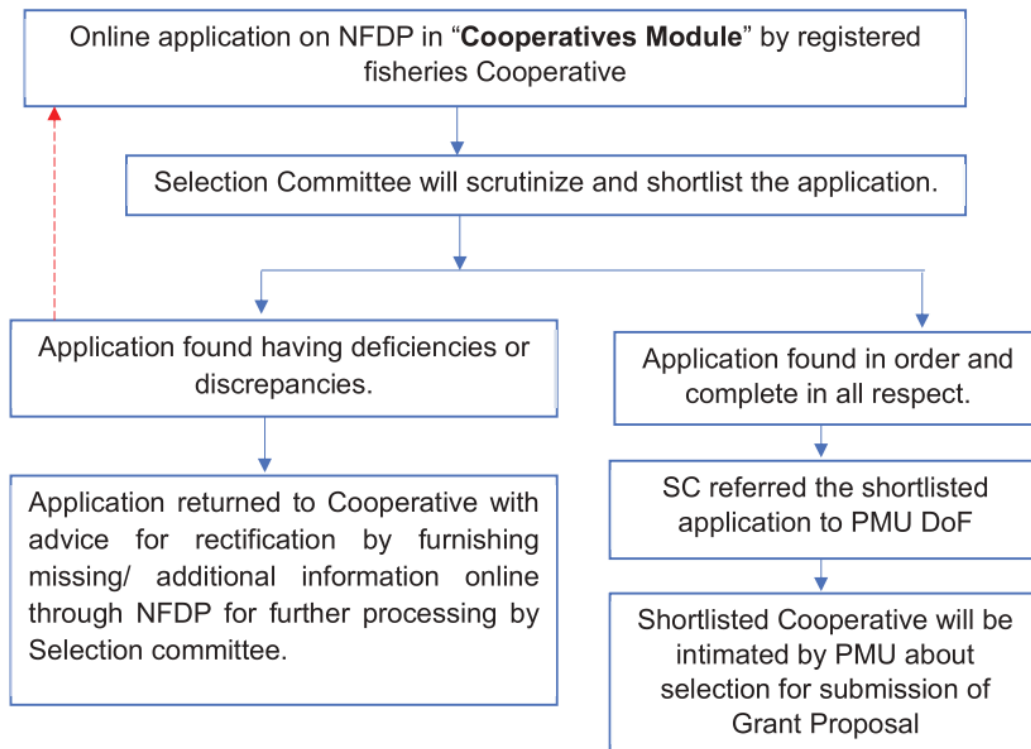


Figure-1: Flow chart of process of Application

Flow chart of process of Approval of Grant Proposal

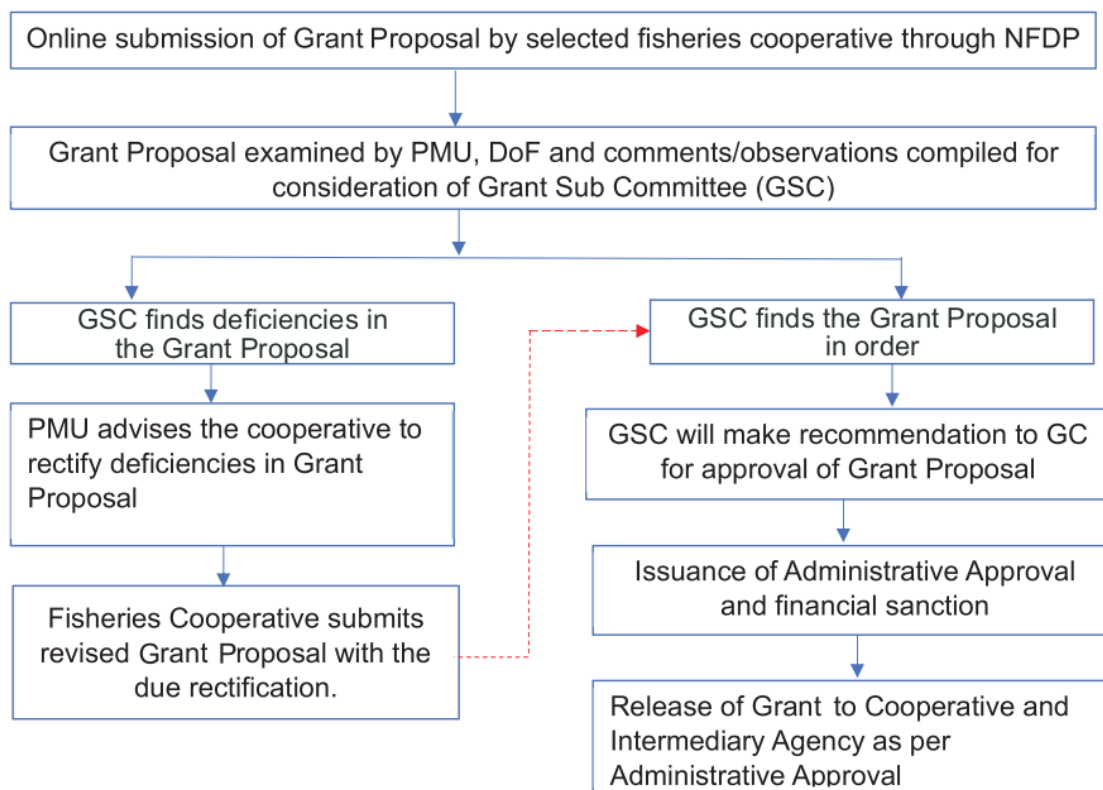


Figure-2: Flow chart of Process of Approval of Grant Proposal

8. Institutional Framework

8.1. Grant Committee

8.1.1. There will be a grant committee in PMU, DoF, GoI headed by the Joint Secretary who is also the Project Director of PMU. The Committee will approve applications of the fisheries cooperatives for issuance of administrative approval and financial sanction.

8.1.2. The composition of Grant Committee will be as follows:

1	Project Director, PMU under DoF, GoI	Chairperson
2	Chief Executive, NFDB	Member
3	Deputy Director General (Fisheries), ICAR	Member
4	Fisheries Development Commissioner	Member
5	Director, IFD	Member

6	Director - In charge of PM- MKSSY	Member
7	Assistant Commissioner (Fisheries), In charge of PM- MKSSY	Member-Secretary

8.1.3. The Grant Committee shall be assisted by the Selection Committee for the evaluation and selection of the application of the fisheries cooperative.

8.2. Selection Committee

8.2.1. There shall be a Selection Committee, which will scrutinize and shortlist the applications received online through NFDP from fisheries cooperatives and make recommendation for approval of GC. After approval of GC, administrative approval and financial sanction shall be issued.

8.2.2. The composition of Selection Committee will be as follows:

1	Chief Executive, NFDB	Chairman
2	Commissioner/Director of Fisheries of respective State/UT	Member
3	Representative from NCDG/NAFED/SFAC/ NERAMAC	Member
4	Managing Director, FISHCOPFED	Member
5	Director/DC In charge of Cooperatives, DoF, GoI	Member
6	Assistant Commissioner, DoF-In charge of PM-MKSSY	Member
7	Representative of PMU, DoF, GoI	Member
8	ED/SE,NFDB-In charge of Cooperatives	Member Secretary

8.2.3. The indicative roles and responsibilities of Selection Committee are given below:

- a) Scrutiny of online applications received from fisheries cooperative based on pre-determined criteria including technical and economic standard, institutional strength, business potential, sustainability, impact potential, existing infrastructure, resources, demonstrated commitment to collective action etc.
- b) Shortlisting of successful application and referring to GC for approval
- c) Issuance of administrative approval and financial sanction to the beneficiaries

- d) Submitting reports to the Grant Committee on the overall performance of the program, including the selection process, grant disbursement, and the impact achieved by the beneficiaries.

8.3. Intermediary Agencies

8.3.1. For the purpose of formalisation and strengthening of fisheries cooperatives to grow into FFPOs, the following agencies will support the selected fisheries cooperatives through mentoring and capacity building:

- a) National Cooperative Development Corporation (NCDC)
- b) National Agricultural Cooperative Marketing Federation of India Ltd.(NAFED)
- c) Small Farmers' Agri-Business Consortium (SFAC)
- d) Northeastern Regional Agricultural Marketing Corporation (NERAMAC) Ltd.

8.3.2. Zone wise distribution of States/UTs to Intermediary Agencies

Agencies	Zone wise
National Cooperative Development Corporation (NCDC)	Coastal States and UTs Andhra Pradesh, Goa, Gujarat, Karnataka, Kerala, Maharashtra, Tamil Nadu, West Bengal, A & N Island, Daman & Diu, Lakshadweep, Puducherry
National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED)	Northern States and UTs Jammu and Kashmir, Ladakh, Himachal Pradesh, Punjab, Haryana, Chandigarh, Uttarakhand, Uttar Pradesh, Delhi
Small Farmers' Agri-Business Consortium (SFAC)	Central and other Eastern States Bihar, Jharkhand, Odisha, Telangana, Chhattisgarh, Madhya Pradesh, Rajasthan
Northeastern Regional Agricultural Marketing Corporation (NERAMAC) Limited	Northeastern States Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura,

8.3.3. Indicative Roles and Responsibilities

8.3.3.1. These intermediary agencies will create an enabling environment for formalization and strengthening of fisheries cooperatives and their growth into Fish Farmer Producer Organizations (FFPOs) through mentoring, capacity building, and identified need-based financial support.

- a) For formalization, these agencies will assist fisheries cooperatives to register on NFDP and facilitate access to finance through different Government schemes and institutional credits.
- b) For strengthening, these agencies will provide the necessary training, facilitate in market linkages for cooperatives to become sustainable and profitable businesses.
- c) These agencies will mentor cooperatives in scaling up their operations, diversifying activities, and achieving long-term success.

8.3.3.2. The Indicative roles and responsibilities of Intermediary Agencies:

1. Support Selection Committee

- a. Identify potential fisheries cooperatives for their formalization and strengthening
- b. Help the identified fisheries cooperatives for applying on NFDP under “Cooperative Module”
- c. Participate in the selection process as a member of Selection Committee

2. Mentoring and Capacity Building:

- a. Provide technical assistance and necessary advice to fisheries cooperatives for organizational development and improved management practices.
- b. Handholding and mentoring fisheries cooperatives on management, governance, leadership development and business planning in the fisheries sector.
- c. Develop training and capacity building modules, impart training and create awareness about new technologies and innovations in fisheries sector
- d. Provide guidance to fisheries cooperatives for functioning as FFPOs
- e. Facilitate knowledge sharing and best practices

3. Market Linkage

- a. Assist fisheries cooperatives in establishing market linkages with wholesalers, retailers, and processors.

- b. Facilitate the sale of fisheries products through its network, ensuring fair prices and market access for cooperatives.
- c. Facilitate participation of fisheries cooperatives in national/international fairs and exhibitions for better exposure to newer markets and technologies

4. Business Development:

- a. Assist fisheries cooperatives in identifying potential fisheries value chains for FFPOs to focus on.
 - b. Help in developing suitable business plans for FFPOs.
 - c. Facilitate FFPOs in connecting with relevant industry experts/consultants.
5. Any other roles and responsibilities as may be assigned by DoF, Gol

8.4. Roles and Responsibilities of NFDB

- a) Evaluation of application of the fisheries cooperative
- b) Collating list of selected FFPOs with observations and comments for recommending to Grant committee for approval of application

8.5. Role of State/UT Government

The States/UTs will be involved in implementing these activities. The roles and responsibilities of States/UTs, may *inter alia*, include.

- a) Promote activities within their respective jurisdictions and reach out to the intended beneficiaries through cooperatives, civil society organizations, or by collaborating with specialized intermediary agencies.
- b) Assist in mobilizing fisheries cooperatives for selection.
- c) Facilitate the venue for training and capacity-building sessions.
- d) Participate in experience-sharing initiatives.
- e) Perform any other tasks entrusted by the DoF, Gol.

9. Engagement of Cluster Based Business Organisations (CBBOs)

- a. These Intermediary Agencies may identify suitable CBBOs or any other suitable professional agencies for the ground implementation of this activity.
- b. The Criteria set under the PMMSY for selection of CBBOs will also govern the empanelment and selection of CBBOs for implementation of the PM-MKSSY.
- c. The Implementing Agencies will apply due diligence to ensure that professionally competent CBBOs are transparently engaged to provide professional support services to the identified fisheries cooperatives.
- d. Implementing Agencies engage the competent Cluster Based Business Organizations (CBBOs) primarily situated in the closed proximity of identified fisheries cooperatives so as to ensure speedy and smooth implementation of the activities relating to strengthening of the fisheries cooperatives to function as FFPOs under PM-MKSSY.
- e. The CBBOs should have professional experience and exposure in the formation of FFPOs in fisheries and allied sector. Implementing Agencies may engage a consortium of requisite professionals where such organizations are not available.

10. Training and Capacity Building by Intermediary Agencies

- 10.1. An intermediary agency will organize a Training and Capacity Building program for fisheries cooperatives to operate as Fish Farmer Producer Organizations (FFPOs). The intermediary agency shall be adhered to following points while imparting training and capacity building.
 - a) The capacity-building program will be held at a single location for 10 selected fisheries cooperatives.
 - b) From each cooperative 10 management team members and 10 other members shall be selected to participate in the training and capacity building.

- c) Two training sessions will run concurrently: one for the management team and one for the other members.
- d) The intermediary agency will focus on enhancing the management and operational efficiency of the management teams to help them function effectively as FFPOs.
- e) In case, number of cooperative for training is not optimal, intermediary agency may make suitable batch for imparting training as per the conditions.

10.2. Indicative expenditure for the training and capacity building program is given below, where 10 cooperatives will participate, each comprising 10 management team members and 10 other members.

S. No	Particulars	Rate	Amount (in ₹)
1	Honorarium of Master Trainer (4 Numbers)	2000	8,000
2	TA to Master Trainer (4 Numbers)	1000	4000
3	Lunch, Tea and Snacks (200 Numbers)	200	40000
4	Training Material/Kit (200 Numbers)	100	20000
5	Audio Visual (Lump sum)		10000
6	Sitting arrangements (Tentage, Chairs, etc)		10000
Sub Total Expenditure			92,000
Institutional Charge (5%)			4600
Contingency (Lump sum)			3400
Total Expenditure			1,00,000

11. Indicative Activities for the Selected Fisheries Cooperative

11.1. The PM-MKSSY aims to enhance operation efficiency of the existing fisheries and aquaculture cooperatives to reap up benefits of increased profits, productivity, and customer satisfaction that result in long-term growth of the identified fisheries cooperative. Through the increasing operational efficiency, reduce costs/expenditure and focused on core and better remunerative business will optimize business operations, creates a better environment for employees and stakeholders to expand by keeping costs under control are the some of the important aspects that need to be given more thrust.

11.2. The intermediary agencies through selected CBBOs will analyze present activities undertaken, capability for undertaking of the proposed activities, profits earned, scrutinize costly expenses, explore possibility of reduction in expenses of the organization, and formulate a profit making business plan with enhanced organization efficiency to make them economic and profit making entity. Some of the suggested activities that CBBOs.

11.3. The CBBOs shall aim to enhance competitiveness, innovation, and growth within the respective fisheries and aquaculture Cooperative. The Business plan will focus in better remunerative activities in the Fisheries sector. The suggested Broad areas/ activities for the identified fisheries cooperatives are indicated below;

a) **Fish Production and Productivity:**

(I.) Through Integration of the fish production strategies and continuously improving practices, fish production can be enhanced and ensuring the long-term economic sustainability of the selected cooperative. Thrust should be given to supply of quality inputs like seed, fingerlings, brood stock, fish feed, fishing nets, fishing implements and such other inputs essential for production. Incorporate advanced aquaculture technologies such as re-circulating aquaculture systems (RAS), Aquaponics, and integrated multi-trophic aquaculture (IMTA), Pen Culture, Cage culture, Raceways, Bio-floc, ornamental fisheries, seaweed cultivation, Coldwater fisheries etc. related fish culture activities for both inland and marine regions.

(II.) Selection of improved breed, species diversification, Optimization of feeding, water quality management, and Disease management, Sustainable fishing practices, Training / education and exposure visit will be incorporated suitably in the business plan.

b) **Post-harvest Management and Infrastructure**

Post harvest infrastructure facilities play crucial roles in the fisheries sector, ensuring the quality, safety, and value of fishery products from the point of harvest until they reach consumers. Thrust should be given to provide need-based production and post-production Infrastructure and equipment like Ice plant, cold storage, refrigerated transport /logistic support fish transport facilities like insulated and refrigerated vehicles/containers, live fish transportation with appropriate technology and use of drone technology etc.

c) Creation and management of processing facilities :

Thrust may be given to value addition like cleaning, gutting, filleting, freezing, assaying, canning, sorting, salting, grading, packing, at fish farm level processing facilities at user charge basis.

d) Marketing and branding

(I.) Marketing and branding of fish and fishery products play a crucial role in promoting sales, building customer loyalty, and differentiating products in a competitive market. Some strategies for effective marketing and branding of fish and fishery products that are given focus include (i) Branding, packaging, levelling, standardization of products, (ii) Market the aggregated produce with better negotiation strength in marketing channels offering better and remunerative prices, (iii) Facilitate market information about the produce for educated decision-making in production and marketing.

(II.) Cooperatives may also undertake operation of fish vending kiosks at various urban centres. The cooperatives may also undertake (a) development of fish and fisheries related products / by-products and tie ups for domestic and export sales, (b) use e-platforms/ e-market place to showcase the products, share recipes, engage with customers, and provide educational content about fish and seafood, (c) participating in food festivals, farmers' markets, or industry trade shows to showcase about the products to a wider audience.

e) While business as main motto, proper waste management in fish processing units to minimize the environmental pollution and health risks associated activities which includes the safe disposal of by-products such as fish offal, wastewater, minimizing of post-harvest losses, and packaging materials etc. should be paid due attention in the business plan.

Chapter-5

Adoption of Aquaculture Insurance

