



***Facilitating private investments for
livestock and fishery sector development in
Assam, India: A suggested road map***



**CLFMA of India, national association of Indian
livestock sector**

March 2017

**Facilitating private investments for livestock and fishery sector development in Assam, India: A suggested road map
- A report commissioned by CLFMA of India as a part of its Golden Jubilee celebration.**



<http://www.clfmaofindia.org/>

March 2017

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Published by: CLFMA of India

Recommended Citation:

Vet Helpline India Pvt Ltd (2017): "Facilitating private investments for livestock and fishery sector development in Assam, India: A suggested road map" Published by CLFMA of India

This report was submitted to Honorable Chief Minister of Assam on 27th April 2017.

Refer: <http://www.vethelplineindia.co.in/promoting-investment-in-livestock-and-fishery-sector-of-assam-india/>

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Executive Summary:

The state of Assam with a projected population of 3.39 crore (2016) is the gateway state of the strategically important northeastern region of India. At present, there is political stability within the State. In the year 2016, the state witnessed a change in political establishment after 15 years of single party rule. The new political leaders are making renewed efforts at building the economy with development investments. In recent months, the state is actively taking part in India's ongoing initiative to prepare a 15-year vision document for a period up to 2030. The efforts aimed at visioning and preparation of strategy assumes significant importance as 2016-17 is the terminal year of the 12th Five-year plan. The North-East India Industrial and Investment Promotion Policy (NEIIPP) is also set to expire by 31st March'2017. At the time of this change in leadership and large-scale visioning and policy review exercise, an attempt is made to prepare a survey report on livestock and fishery sector in Assam with an aim to inform investors and other stakeholders. This survey is a part of series of activities undertaken by CLFMA of India, an association of Indian livestock sector, for its golden jubilee celebration. Based on the recommendation of the survey the organization will focus on a series of investment promotion related activities focusing on the state of Assam in coming years.

There is a huge demand and supply gap of livestock and fish products within Assam. The per capita availability of milk, egg and meat is very negligible and estimated at 74ml per day, 15 units per annum for 2013-14 and 930 grams per annum (as per 2007) respectively. There is huge interstate import of livestock and fish products. For example, market data indicates that the state imports 94.66 million of table egg per month. The deficit in fish production is estimated at 0.42 lakh MT. Assam imported 14,835 MT of fish in 2015-16, higher than 12,531 MT of 2014-15. Import dependency of the livestock and fish farming related input market (e.g., feeds, medicines, supplements) make local production vulnerable to changes outside the State. For example, the hatcheries within N E India, majority of which are in Assam, imports 9.6 million hatching eggs per month. More than 50 brands of animal feed produced outside the region are available in Assam.

Referred as India's "Act east policy", political efforts are currently on to reopen trade routes between India and South-East Asia via Myanmar through Assam. The future trade-linked changes indicate immense future market opportunity beyond the vast domestic market of livestock and fish products mentioned above.

In recent years, there is growth of commercial small to medium scale enterprises within livestock and fishery sector value chains in Assam. As per 6th economic census 2013, there are 1.27 lakh number of establishment related to livestock and 51005 numbers establishment related to fishing and aquaculture within the state. Together these two economic activities represent 80% of total establishments in agricultural activities (other than crop production and plantations) within Assam. The livestock and fishing / aquaculture related establishments mentioned above employs 2.17 lakh (217347 numbers) and 0.73 lakh (73578 numbers) of people respectively. This is 77% of total employment created by agricultural establishments (excluding crop production and plantations). Private investments in commercial livestock and fishery sector is crucial for Assam to bridge the demand supply gap of livestock and fish products mentioned above and to generate employment through entrepreneurship.

Focusing on agriculture, the report analyses Assam as a potential investment destination. It highlights Government of Assam's recent initiatives including the notification of The Assam Ease of Doing

Business Act, 2016 and setting up of land bank. The report discusses in details the existing resources, infrastructure, public and private interventions and performance of both livestock and fishery sector in Assam. This indicates vast scope of scaling up of production with the use of available technology and quality farm inputs. Detail discussion also covered opportunities for private sector under various forthcoming government initiatives including the World Bank funded project: Assam Agribusiness & Rural Transformation Project (APART) which is likely to start implementation from April 2017.

The experience survey conducted as a part of study methodology focused on identifying production clusters and to list out the key problems behind the relatively poor sustainable growth of commercial enterprises in livestock and fishery sector in Assam. The detail problem tree analysis which was validated through repeated offline and online consultations indicate 10 prime causes that have prevented growth of enterprises in livestock and fishery sector in Assam. The problem tree excluded general political, societal and environmental constraints and causes which may also can affect the investment and growth of enterprises. The list of causes includes: (1) Limited availability and high opportunity cost of suitable land. (2) High cost of farm inputs, e.g. feed / electricity, affecting cost competitiveness. (3) Inadequate professional expert service tailored to the need of commercial enterprises. (4) Inadequate availability of credit and handholding support from established institutions. (5) Inadequate technology application. (6) Inadequate branding and promotion of produce. (7) Poor seed availability (for livestock sector) and quality of seed (in case of fishery sector) (8) Limited value chain integration. (9) Inadequate skilled farm level supervisor and workers (10) High disease and disaster risk.

The production clusters identified in the report can be targeted for major investments to scale up production followed by processing and market linkages. These clusters are also suitable for setting up of other value chain linked enterprises. Information on production clusters can also help in planning targeted capacity building programs. Based on review of secondary data, experience survey, and problem tree analysis the report identified 11 investment opportunities in livestock sector, 6 in fishery sector and 4 in related areas. These are as follows:

Livestock sector: (1) Broiler chicken parent breeding farm. (2) Medium to large broiler commercial chicken farm with processing facility. (3) Livestock breeding units for supply of quality heifers, goat, piglets etc. (4) Animal identification and Modern data based breeding services. (5) Hatchery for improved local chicken, duck, quail, turkey etc. (6) Commercial layer farming. (7) Contract farming of pigs with forward integration e.g. Pork processing. (8) Contract farming of goat with slaughter and processing facility. (9) Setting up of multilocation franchise small dairy farm units with value chain innovation. (10) Processing of near organic milk of *khutis* for high end milk products. (11) Modern feed, commercial fodder production and science based silage solutions.

Fishery sector: (1) Commercial fish farming with modern inputs (with in-house backward and forward integration, additionally focusing on high value and local fish varieties) (2) Contract farming for aquaculture in potential beels. (3) Ornamental fish production and trading (including export) (4) Fish feed milling. (5) Manufacturing units for commercial fish farming related inputs. (6) Manufacturing of value added fish products e.g. Fish pickle, Fish wafer.

Related areas: (1) Skill training institute (including in Private Public Partnership mode) (2) Mobile private service delivery and extension set up with trade on inputs. (3) Innovative branded retailing of

livestock and fish products. (4) Accredited laboratories and certification services (e.g. Fish seed certification)

The report suggests a brief roadmap with 7 action areas for Government of Assam and 5 action areas for CLFMA of India. The report listed out the needed activities in sequence for each of these action areas.

For benefit of investors and other stakeholders the annexure of the report includes a list of various state level Acts related to livestock and fishery sector in Assam, a relevant office memorandum related to The North-East India Industrial and Investment Promotion Policy (NEIIPP-2007) and the indicative subsidy ceilings related to National Livestock Mission Entrepreneurship Development and Employment Generation -EDEG Component 2016-17.

Action areas highlighted in proposed roadmap:

Action areas for Assam Government:

1. Ensure access and priority for livestock and fishery sector investors to land bank under industry department.
2. Ensure accreditation of select public and private laboratories that can support service delivery, quality control of farm inputs and finished products.
3. Initiate appropriate legislative process to make technology based farm premises identification mandatory and to ensure appropriate use of any real-time data to be collected from such premises by public / private entities. This is to ensure appropriate implementation of ongoing breed up-gradation programs, timely disaster and disease control, fish seed quality control etc. The initiative will also ensure targeted cluster based intervention besides transparency / equity in benefit distribution.
4. Declare one-time major grant to existing experienced entrepreneurs to set up value chain critical enterprises related to livestock and fishery sector.
5. Support / Partner with private sector to develop centre of excellence for skill training across livestock and fishery sector value chain in line with *Pradhan Mantri Kaushal Vikas Kendra*.
6. Ensure competitive business environment by promoting implementation of existing competition law and by innovating on law related to contract farming.
7. Design and declare incentive package directed at reducing cost of farm inputs.

Action areas for CLFMA of India:

1. Promote sensitization of stakeholders regarding profitability of livestock and fishery based enterprises
2. Set up a permanent Technology Promotion and Demonstration Hub (TPDH) at Guwahati
3. Support local brands and handhold new entrepreneurs on branding of their products / services.
4. Work towards developing an annual event brand to promote value chain interaction targeted exclusively for livestock and fishery sector in Assam in particular and north-east India in general.
5. Provide technical assistance to local stakeholders in reducing cost of feeding and in using fodder and crop residues.



Think Investment. Think Assam.



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