

South Indian Federation of Fishermen Societies

ANNUAL REPORT 2002-03



SOUTH INDIAN FEDERATION OF FISHERMEN SOCIETIES

Progress Report for the year 2002-2003

Overview

The year 2002-2003 was a year of mixed fortunes. It was a difficult year in many respects, especially for our business activities. However, our spirits went soaring with *Theera Mahotsavam*, the South India Fisherfolk Festival we organised to celebrate the culture and technology of the artisanal fishermen. The fish marketing turnover of our society network touched the Rs.30 crore mark for the first time but towards the end of the year there was a serious decline in fish catches in some of the areas, especially Quilon. The economics of fishing continues to look precarious and the absence of an effective fisheries management regime threatens the long-term survival of fishing as a livelihood for large numbers.

I. Technological Services

Boat Building

It was a year when the boat yard network managed to hold on to its previous year turnover despite the handicap of sales tax that makes our boats costlier than that of private yards that are outside the sales tax net. This was the first full year when we had to charge sales tax for our boats. We managed to reduce the tax payable by dividing our boat yard establishment into a separate material store and a fabrication unit. The material store would sell the materials to the fishermen and the fabrication unit will then take care of the labour part of the work. As the fabrication unit only undertakes labour contracts, no sales tax is levied. Still the tax component is a significant amount and does handicap our operations.

During the year the boat sales declined to 96 units from around 110 last year. However, the overall turnover remained constant at Rs.1.1 crores due to increase in income from repair jobs. The profitability was marginal but we take heart from the fact that we avoided a loss despite the additional expenses on account of interest payment for working capital. Due to the payment of a huge sales tax arrears last year (on account of tax which we did not collect from fishermen), we had to take a working capital loan from the IOB after many years of managing with own funds.

During the year we were able to strengthen the boat building infrastructure at Taranagambadi on the east coast where additional facilities were created. In Malabar our plans to start a new boat yard had to be put on the back burner, as a suitable plot of land could not be located at reasonable prices.

The year saw an increasing number of “stay fishing” boats being built as well as an increase in the fibreglass boats sold. The shift to fibreglass appears to be strongest in areas and market segments where the SIFFS presence is weak. The ply-vallam market of Trivandrum and Quilon where SIFFS and its member federation boatyards dominate, there is not much interest in a shift to fibreglass as the good quality of the plywood boats ensures that nobody finds any reason to go for the more expensive fibreglass boats. This is an indicator that the SIFFS presence makes fishing more economical and profitable for the fishermen.

An important development during the year was the introduction of a new “Vallavila” model plywood boat (full deck) in response to the needs of the Vallavila fishermen of Kanyakumari who desire faster boats. As part of a rehabilitation package for a group of Vallavila fishermen who lost their boats in a riot on Quilon beach we designed and produced this model which has since become popular.

Parameter	2001-2002	2002-2003	Increase/ Decrease
No. of boats produced	113	96	-15%
No. of boats repaired	402	624	55%
Boat sales turnover	98.14 lakhs	79.95 lakhs	-19%
Boat repair turnover	17.16 lakhs	27.62 lakhs	58%
Total turnover	1.15 crores	1.07 crores	-7%
Profit / Loss	0.06 lakhs	0.02 lakhs	-67%

Yard wise production and repair details.

Yard	2001-02		2002-03	
	Production	Repair	Production	Repair
Veli	44	53	34	89
Vizhinjam	13	79	10	96
Neendakara	10	132	7	171
Chaliyam	13	40	7	54
Vallavila	14	40	27	57
Marianadu	7	33	4	52
Mangalore	12	25	6	28
Tharangambadi			1	77
Total	113	402	96	624
Muttom	44	126	32	145
Kollam	17	862	16	742
Anjengo	8		22	
Total	69	988	70	887
TOTAL	182	1390	166	1511

Research & Development

With the return of Francis Xavier our boat building and fibreglass expert, the focus this year was on new boat designs. The new boat designs and models tried out during the year were:

- A 45 ft plywood boat meant for stay fishing was launched from the Needakara Boat yard and meant for a Vizhinjam fisherman. The boat has facilities for staying a week at sea and is fitted with an inboard diesel engine. The boat is mainly meant for hook and line or gill net operations. The work on this boat had started in the previous year but was finished early this year and subsequently launched. The users are fully satisfied with the boat.
- The plywood *teppa* introduced the previous year in Srikakulam district in Andhra underwent considerable amount of trials and was found suitable after some modifications. ARTIC our collaborator in Andhra started production of the model and started sales under a DRDA supported cyclone relief scheme.
- We had introduced plywood *kattumarams* in Kanyakumari district over the last few years. Now the fishermen have started demanding fibreglass versions as the maintenance of the plywood kattumaram is difficult. We therefore made a fibreglass version and tested it. It was found acceptable and we supplied a few *kattumaram* to Kadiapatnam and Muttom fishermen of Kanyakumari district.
- We continued our work on the “Maruti” model FRP boat that is popular on the east coast all over Tamil Nadu. We introduced our version with a v-hull design for improved performance. Though it fared well, the demand was poor as the fishermen prefer a flat-bottomed boat to which they are used to. We hope to work on this in the coming year.

In addition to boat designs we spent a lot of effort on sea safety issues. We organised a workshop on sea safety in collaboration with the fisheries department and the response was good. One of the key findings of the workshop was that the radio handsets that the fisheries department has distributed on a trial basis are useful provided the maintenance is taken care off. Though the radio communication system of the department is unlikely to help fishermen of Trivandrum district who go deep, for the rest of Kerala it may be a useful system. However, the key to the success will be if the fishermen are encouraged to buy their own handsets and take care of the maintenance with the assistance of manufacturers rather than depend on Government provided handsets and maintenance. This was agreed to in principle by the Government but action is yet to be taken on the matter. It was also clear from the workshop that other technologies are required in the case of the Trivandrum and Kanyakumari fishermen who go deep into the sea.

We also worked on a safety manual for fishermen and first draft is ready. The manual is to be reference to fishermen on all practical aspects of safety on board small-motorised vessels that operate on the south west coast of India.

Our Kattumaram timber supply programme also made some progress with the *Albizziya* plantation in Kanyakumari district getting further developed. We hope to have the first lot of timber suitable for kattumaram purpose in a couple of years.

Out Board Motors

OBM imports contribute the maximum to our turnover and profits. However, this year our OBM sales was drastically hit because of competition with Matsyafed which enjoys sales tax exemption while we do not. For the last two years we were able to cope with the situation as we had the status of an exclusive dealer of Suzuki OBMs which are the most popular. So the tax difference did not hurt us as much as the fishermen themselves. However, this year Matsyafed managed to get supplies of Suzuki OBMs contrary to the understanding we had with the Indian distributor of Suzuki motors. This meant that our price inclusive of tax was not competitive and we were able to sell only a limited number of motors. Our sales dipped to 249 motors from around 600 last year and our margins were actually negative as we had to drastically reduce price to get rid of our stock. The end result was that we had loss for the first time since we started the OBM business.

The OBM business is however unpredictable and our presence is still crucial for our members in particular and fishermen in general. If the long promised VAT system is introduced then we will have a level playing ground and can compete with Matsyafed and others. Another problem on the horizon is the decision of Suzuki Motor Corporation to stop production of 2 stroke motors by March 2003 in view of environmental lobbying in the US. The four stroke models unfortunately will not work on kerosene. This means the entire future of the fishermen on India's west coast is in trouble as they have become dependent over the years on the kerosene fuelled OBMs. We started looking at the four stroke alternatives and are preparing ourselves to get into the business when needed. We are also looking at indigenous alternatives like diesel inboards and retractable propulsion systems.

Our OBM service network however made big strides during the year with significant improvements in turnover in most centres. In view of the uncertainties regarding OBM sales our OBM staff concentrated on servicing. A major breakthrough was the start of our own production of engine bore sleeves and the start of our own engine boring centres. One boring machine each has been installed at Vizhinjam, Quilon and central workshops respectively. The response of the fishermen has been heartening and we have been able to slash prizes for boring and inserting a sleeve by nearly 50%. Our service network has therefore become stronger and competitive.

The usual expansion of the network took place with three new workshops getting started. One is at Gangolli in South Kanara, which is now our northernmost unit. The second is at Chombala in north Kerala. The third is at Moothakara in Quilon where we have now three workshops cornering a significant share of the market. We had made our Muttom workshop suitable for Greave long tail servicing. Once this starts we hope to gain enough experience to penetrate the east coast market that is essentially dominated by the Greaves long tail motors.

The next batch of 10 OBM mechanic-trainees was recruited and their training started. The course will be completed next year and those who do well will be absorbed in our service network.

Parameter	2001-2002	2002-2003	Increase/ Decrease
OBM sales (25 HP)	46	Nil	
OBM sales (9.9 HP)	549	249	- 55%
OBM sales (Others)	11	Nil	
OBM repair jobs	4788	5701	19%
OBM Sales Turnover	3.61 Crores	1.38 Crores	- 62%
OBM Spare Turnover	83.76 Lakhs	92.58 Lakhs	11%
Total Turnover	4.45 Crores	2.3 Crores	- 48%
Profit / Loss	21.42 Lakhs	(10.09 Lakhs)	- 147%

Workshop/Store wise Turnover

	Amount
Workshops	
Marianadu	1,346,247
Kasaba	231,048
Kollam I	599,654
Neendakara	937,335
Chaliyam	301,868
Vizhinjam	1,066,241
Ambalapuzha	407,176
Kollam II	675,877
Tranqubar	41,319
Muttom	33,296
Mangalore	292,658
Mahe	80,201
Stores	
Central	1,263,222
Vizhinjam	1,235,080
Ambalapuzha	25,191
Malabar	3,505
Total	9,258,982

II. Information Services

Policy Research and Documentation

A great deal of action took place in the area of policy research and documentation during the year. The biggest work that had started the previous year and was carried on through out this year was the "Costs and Earnings study". 9 fishing centres in Kerala were monitored for a full year to collect data on a set of fishing units to understand the health of fishing in the state of Kerala. The data collection came to an end in September and the data entry was completed. However an intensive data correction and validation process was going on at year-end. The first report is likely to come out by the middle of the next financial year. Already some of the information collected provides interesting insights into the fishing.

A number of other studies were undertaken during the year. They are as follows:

- We collaborated with the Natural Resources Institute (NRI), U.K., in a study on the impact of globalisation and seafood trade legislation on poverty in India. SIFFS took responsibility for Kerala while ICM, Kakinada and Cirrus Management Services (CMS), Bangalore took up the responsibility for Andhra Pradesh and Orissa respectively. The draft report was presented in a workshop at Visakhapatnam. The final report will be published by NRI sometime next year.
- We continued our collaboration with the Centre for Earth Science Studies (CESS) in Trivandrum. After the study of the Ashatamudi lake in the previous years, we got involved in a study of the Alleppey coastal area in collaboration with CESS. This study is sponsored by the IUCN as part of a three country study on coastal zone management. The "karappuram" area between the Vembanad lake and the Arabian sea in Alleppey district is the study area and the idea is to look at environmental issues and their links with poverty. This study will be completed next year.
- We also took up a study of the Gulf of Mannar area at the suggestion of Dhan Foundation, Madurai. The Dhan foundation and the M.S.Swaminathan Research Foundation (MSSRF), Madras are working together in a UNDP project to look into the livelihood issues in the Gulf of Mannar region of Tamil Nadu (Rameswaram to Tuticorin) with a view to introduce conservation measures and protect the coral islands in the Gulf of Mannar (GOM). A major Global Environment Facility (GEF) project is being launched in the GOM by the Tamil nadu Government with the participation of Dhan Foundation and MSSRF. SIFFS launched the collection of certain baseline data. It is a census of the fishermen, craft and gear in the GOM area. This is an attempt to extend our RRA techniques that have been successful in Kerala to Tamil Nadu also.
- As the GOM actually extends up to Kanyakumari, we decided to extend the data collection to Kanyakumari at our own initiative. The data from both the studies will be available sometime next year.

- At the suggestion of Action Aid India, we also started a Census of the fishermen, craft and gear of Kanyakumari district where the fishermen have been agitating for additional harbour facilities as well as breakwaters in the district. The data was collected in February but validation and correction work was going on at year end. We are using the Basic Christian Communities (BCC) as the source for data in Kanyakumari, which is another innovation.
- In Srikakulam, concerned that the local fishermen are finding fish difficult to come by and migrating to other states, we conducted a detailed survey on the migration of fishermen. The study is bringing out interesting results. For instance it shows that 68% of the active fishermen of the district migrate outside the state for work in both fishing and non fishing occupations. The bulk of the migrants go to work on the mechanised boats in Gujarat while the others go to Bombay and Goa.
- A detailed member database for SIFFS was launched and very intensive data collection was started. Once the database is ready it will be periodically updated.

Dissemination

During the year we used a number of methods to disseminate information and bring out issues. Some major publications came out during the year and some important seminars and workshops were organised. The following are the significant points to be noted.

- The documentation of the SIFFS boat building experience was brought out during the year in the form of a publication entitled "The introduction and spread of marine plywood boats on the south west coast of India".
- The boat project however had its origin in Muttom in Kanyakumari and the initial breakthrough achieved is documented by Father Gillet in his "Small is Difficult" booklet. We brought out a reprint of this classic document during the year.
- Another classic that we brought out for the interest of boat connoisseurs was the early 20th century report to James Hornell entitled, "The Origin and Ethnological Significance of Indian Boat Designs".
- The SIFFS annual report for 2001-2002 was brought out in an elegant and readable manner. A new SIFFS brochure was also brought out updating information about our activities.
- A couple of CD-ROMs were brought out about SIFFS and the craft and gear of south India.
- We organised a major state level workshop on "Current Development trends in Kerala" in collaboration with Dhan Foundation Madurai. The seminar held in Trivandrum in March 2003 was well attended by NGOs and development activists. The workshop which was part of activities sponsored by Ford Foundation as part of its 50th anniversary in India brought out many new developments in Kerala.

- Another workshop was organised focussing on the fisheries sector of Kerala and was well attended by NGOs and fishermen associations. It highlighted the problems and issues currently faced by Kerala fisheries.
- A number of exchange programmes were organised for fisherfolk from different areas to learn from each other on many aspects including cooperatives and technology.

Information Technology

SIFFS continues to carry forward its use of information technology to increase its effectiveness and efficiency. The following are the highlights of this work during the year.

- The project to computerise the accounts of a cluster of primary societies that was initiated at Quilon last year was completed successfully this year. The entire data of the Quilon societies are now on computer and this has improved the information management and decision making in the Quilon federation. The software was custom made for SIFFS by Inapp a Technopark firm in Trivandrum. The speciality of the software is the use of Linux and MySQL, both being free software. We hope to take up one society cluster each in Kanyakumari and Trivandrum districts in the coming year.
- In house software developed included an inventory management system in our boat yards. The Tarangambadi boat yard was computerised ahead of other boat yards in view of the distance from head office and the difficulty to collect the data on a regular basis.
- Another in house software developed was a “event manager” which helps staff in SIFFS exchange information about events within SIFFS. A special common opening screen interface was also developed for all SIFFS computers.
- The computer centre at SIFFS was further strengthened with additional systems and the network management was streamlined.
- The state of the art software for microcredit, “Credit wise” developed by MCG, Madras which is sponsored by SIDBI was finally operational at the end of the year. The customisation of the software to suit our operations and the conversion of the previous computer data base to the new software took a much longer time than anticipated. However, the extraordinary effort put by Ramesh Arunachalam and his team finally produced results and we are proud to be the users of perhaps the best micro credit software in the world.
- We also worked on strengthening the use of computers by our member federations. In addition to strengthening the computer facilities in the federations we organised regular training programmes for the federation staff. All the federations are currently using computers for their routine activities.

Advocacy and Campaigns

Our work in support of the Alliance for the Release of Innocent Fishermen (ARIF) continued to be a major activity. We also took the first steps for a campaign on fisheries management

in two locations. The following summarises the work done and issues faced during the year.

- ARIF was successful in getting timely release of 35 Sri Lankan fishermen from Cochin and Tuticorin jails. Four Sri Lankan boats were also released at our initiative. In Cochin we now use the services of an advocate who is doing his best to find new ways to speed up the process of release of the Sri Lankan fishermen. It has at times been a frustrating experience, but some results are now visible.
- On the Sri Lankan side our collaborators were able to secure the timely release of 106 Indian fishermen and a large number of boats.
- To get greater local support we organised a ARIF Kerala chapter in which all trade unions of Kerala are involved.
- The problem however is still complex and defying a permanent solution. On the Indian side there is very little appreciation for the plight of the Sri Lankan fishermen and a very antiquated Maritime Zones Act of India is inflexibly applied to the detriment of the Sri Lankan fishermen. The trend of punishing the so-called "skipper" and confiscating the boat is extremely cruel and this is likely to have an adverse fall out on the Indian fishermen who are caught by the Sri Lankans.
- On the Sri Lankan side the problem has also worsened. While the cease fire between the Tigers and Sri Lankan Army is to be welcomed by all peace loving persons, it has a negative consequence for the Indian fishermen. The cease fire is allowing the Sri Lankan fishermen of the Palk bay to indulge in serious fishing after nearly two decades and they find their opportunities constrained by the Indian fishermen who have been monopolising the fish resources of the Palk Bay so far. The Sri Lankan fishermen are therefore egging their Navy to capture Indian fishermen for crossing into Sri Lankan waters. Finding the Navy's response lukewarm they have started taking law into their own hand and are capturing Indian boats and handing them over to civilian authorities on the shore.
- ARIF therefore intends to make a big push for a long term solution in the coming year.
- We have started a process for a campaign on fisheries management in Alleppey district as well as the Gulf of Mannar. In Alleppey we hope to work closely with the Panchayati Raj Institutions at the invitation of the local MLA Shri Thomas Issac. In Gulf of Mannar we intend to collaborate with Dhan foundation and the MSSRF and use the opportunities afforded by the GEF project.
- During the year our Chief Executive presented the problem of fisheries management in a number of forums in Kerala to raise awareness of the issue among fishermen leaders, NGOs and officials.
- We also continued our support for the cause of the shark fishermen whose livelihood continues to be threatened despite the success last year in getting the ban on shark fishing withdrawn.

III. Post harvest/Marketing

Ice Supply

Our two ice plants at Enayam in Kanyakumari and Vizhinjam in Trivandrum district functioned more or less at the same level as previously. Both play a useful role in making ice supply reliable and ensure that the private ice plants and fish merchants cannot take the fishermen for a ride at times of good fish landings. However both face problems of profitability. In Enayam it is the result of seasonal operations with most fishing units migrating for almost half the year. In Vizhinjam despite good year round demand, the problem is related to pricing of ice. The private ice plants in the area have recovered their cost and also can make “adjustments” with the electricity consumption and can therefore keep prices low. A new entrant like SIFFS finds it difficult to charge a price in tune with its investments and operating costs.

During the year the Enayam plant had an average ice sales of 3.3 tonnes per day while it was 8 tonnes/day in Vizhinjam. For the first time both plants covered the operating costs. In Vizhinjam we were able to improve our pricing and improve our cost recovery. This has given us hope that in the coming years we will be able to improve the profitability of the ice plants and make a fully viable operation.

The Sales position for the year 2001-2002

	Enayam	Vizhinjam
Price per block(Rs)	30,32	16,17,18,20
Quantity(blocks)	19875.00	52034.00
Tonnes	993.75	2601.70
Avrg sales per day(tonnes)	3.31	8.67
SALES(RS)	579306.14	881007.47
Crushing(3997*3)(Rs)	11991.00	
Crushing(5580*2)(Rs)		11160.00

The Sales position for the year 2002-2003

	Enayam	Vizhinjam
Price per block(Rs)	32,35	20,22,24,23, 27,29
Quantity(blocks)	18610.00	46678.00
Tonnes	930.50	2333.90
Avrg sales per day(tonnes)	3.10	7.78
SALES(Rs)	576372.63	1016115.63
Crushing(Rs)(3627*3)	10881.00	
Crushing(Rs)(10212*2)		20424.00

Marketing

A large number of ambitious marketing activities had been launched in the last few years including export of chilled fish to Europe under a “social” labelling initiative, export of frozen cuttlefish to the far east, a high end domestic fish shop, etc. However, the difficulty

in proceeding beyond experimentation due to various constraints meant that SIFFS is currently retreating from this area of work. During the year various hard headed assessments of the experiences lead to the tough decision to withdraw at least temporarily from this work. The number of constraints that force us to take this decision are:

- Absence of a match between the species available in bulk in our operating areas and the demand from the European chilled fish market
- Great uncertainties experienced in the frozen cuttlefish market with unexpected changes in demand for the large sized cuttle fish caught by our members; the difficulty to provide the right size and product mix sought by the market if we have to depend only on member catches
- Absence of own infrastructure for processing and the availability of excess capacity in the industry made us go for a tie up with a private firm; however, the difficulties in providing large quantities for processing that will satisfy the private firm made the relationship difficult to manage.
- Marketing in the foreign markets and getting orders proved more difficult than anticipated and our internal expertise on this insufficient.
- The overall skill set required for the whole operation was inadequate even though we had some expertise in some of the aspects for export marketing.
- We also lack pockets deep enough to take initial losses and learn the tricks of trade through a trial and error process.

However, we are at the end of the day left with a relatively successful fish shop in Trivandrum catering to the high end of the market. Though a single shop is sub optimal and will take a long time to recover the initial investment, the shop is covering its operating costs and also providing us with a valuable consumer interface and good public image. Hence we are happy to continue with this initiative though it really make sense only in combination with other marketing initiatives.

SIFFS however is not totally backing out of marketing. Instead of some of our ambitious and high profile interventions we have decided to take a back seat and provide support to district federations' own initiatives in marketing in the coming year. We are encouraging the district federations to get one of their staff to specialise on marketing and to start small local initiatives like negotiations with export companies for better prices.

IV. Member/Cooperative Services

Expansion of society network

SIFFS is working on expanding the society network in two regions, North Kerala (Malabar) and Andhra Pradesh with regional offices in Calicut and Kakinanda. This year we have done the spade work for expanding into Central Tamil Nadu also.

In Malabar our work is still going on even though the federation is now reasonably well established as we feel the federation should not take on too many functions at present and concentrate on becoming a viable entity. During the year two new societies were organised in Malabar and the membership in the existing societies further increased through debt redemption loans. There is still considerable scope for expansion in Malabar and the major constraint at the moment is to provide interest free loans for debt redemption.

In Andhra Pradesh the going is tough as our model of a primary society is not easy to replicate where market structures and economics is quite different. Our first society at Budagotlapalem is still functioning but the performance is weak. The decline in catches and low productivity of members is making the society operations unviable and loan repayment poor. We are therefore going slow in Andhra. We shall be focussing on technology and other types of interventions rather than try to rush into society formation without getting our formula correct. Our Kakinada team was strengthened by the inclusion of Mr.Sharma, a retired Deputy Director of Fisheries with excellent field and technical knowledge. Mr.Sharma and his team are now looking for more potential locations for society formation, especially in the belt between Vizag and Kakinada. They are also involved in documentation of various aspects of the local fishery including migration.

In Tarangambadi, using the contacts generated by our boat yard, we have started doing ground work for society formation. Some preliminary baseline data has been collected to understand the fishing system and marketing system in the area. Next year we hope to start formal operations in Central Tamil Nadu using Tarangambadi as base. Another area we have hopes for expansion is between Tuticorin and Rameswaram where we have an entry point through the Gulf of Mannar project.

Credit/Financial Services

Given that credit and financial services are still a growing and major activity in SIFFS, a lot of action took place in this area. The highlights of the year's operations are as follows.

- 1443 new loans worth 1.97 crores were distributed to fishermen and women during the year.
- Our portfolio outstanding went up from 2.0 crores to 2.5 crores during the year
- We received another SIDBI loan of 86 lakhs during the year.

212.93 257.95

- We continued with our capacity building activities for the member federations. EDA rural conducted a four-day training programme on financial management in May and Ramesh Arunachalam conducted a refresher course on microcredit in January.

(Rs. in Lakhs)

Federation	No. of loans disbursed		Loan amount		Loan outstanding	
					31st March	
	01-02	02-03	01-02	02-03	01-02	02-03
Kanyakumari	247	302	42.19	64.59	54.67	73.69
Trivandrum	132	169	46.87	55.79	55.38	76.92
Quilon	692	514	39.89	35.55	40.49	51.5
Malabar	115	53	32.18	18.76	37.68	35.75
Nellai					6.34	
Shark fishermen's assn					2.16	1.4
SNVF (Women's fedn)	468	405	22.79	21.85	16.88	17.44
Andhra	26		1.37		1.32	1.25
Total	1680	1443	185.29	196.54	212.93	257.95

- The Credit software was made operational as mentioned earlier.
- SIDBI has sanctioned a further 15 lakhs for our capacity building activities.
- The sum of Rs.25 lakhs received from the Rabobank foundation as loan is still unusable as RBI is yet to permit us to use the money for lending operations.
- Inafi-India is helping us prepare a credit manual that will help document our operations.
- We are putting some time and energy in networking with other MFIs in the country through INAFI-India chapter. INAFI-India is being registered under Section 25 of the Companies Act as a non profit company and our Chief Executive is one of the directors.
- Our savings product OASS (old age savings scheme), is growing slowly with some more members joining it.
- We are continuing our association with the Janshree Bhima Yojana of the LIC and have most of our members insured under the scheme.
- We have started supporting new women SHGs formed by our Kanyakumari federation as well as the men's SHGs organised by the TDFP for the benefit of crew members.
- We are continuing with our efforts develop our own benchmarks in microcredit given that most MFIs in India are essentially dealing with smaller loans for women and their benchmarks are not applicable to us. We continue to have problems of

getting realistic assessments made of our work due to paucity of appropriate benchmark marks.

The following table indicates the different purposes for which loans are distributed.

Loan purpose/product	Number during year	Amount during year	% Share
Production (fishing equipment)	573	15,519,500	78.8 %
Labour loans (consumption)	450	1,750,000	8.8 %
Fisherwomen loans (working capital)	413	2,285,000	11.6 %
Women Season Loan	7	140,000	7 %
Shark Fishermen Loans			
Total	1443	19,694,500	100%

The following table gives the details of the loan repayments federation-wise and the respective figures for Portfolio at Risk.

Federation	Cumulative repayment rate (31-3-03)	PAR-90 (31-3-03)	PAR-180 (31-3-03)
Kanyakumari	83.86%	24.71%	21.9%
Trivandrum	83.18%	30.69%	21.12%
Quilon	88.01%	45.19%	32.64
Malabar	85.09%	41.28%	35.41
Nellai			
Shark fishermen	85.09%	100.00%	100.00%
SNVF [^]	92.09%	11.41%	9.05%
Andhra	9.08%	100.00%	100.00%
Total for SIFFS	86.4%	32.52%	25.39%

[^]Women Organisation

Strengthening Member federations

During the year our efforts to strengthen our member federations was stepped up and wide range of activities supporting the federations were undertaken.

- The Nellai federation continued to improve with our support and directions and is now reaching a minimum level of acceptable operations crossing the 2 crore mark in fish marketing turnover.
- The Malabar federation has already graduated to becoming a full member of SIFFS managing to score well on the seven criteria for full membership that we developed.
- Seed capital support was provided to federations for various activities that will help in creating greater sustainability. For eg. TDFF was assisted to start a revolving fund for society building construction. Nellai federation has been helped for a fish marketing business.
- We organised various training programmes for the staff of the district federations.
- Tours and exposure programmes were organised for staff and committee members.
- As far as the shark fishermen's association is concerned we continued with out support for their activities and had a number of discussions on their future. The association celebrated its 10th anniversary with a series of seminars and events highlighting the importance of shark fishing and deep sea fishing. The association also continued its struggle to protect the livelihood of the shark fishermen which is threatened in many ways.

The noteworthy fact is that our society network turnover touched Rs.30 crores for the first time indicating that the credit programme and other services are leading to a growth in membership. It must be mentioned that this has happened despite the reports that the fishing season was not satisfactory in most villages.

(In Crores)

Federation	Fish Sales		Increase / Decrease %
	2001-2002	2002-2003	
Kanyakumari	12.77	16.86	32%
Trivandrum	5.96	6.47	8.56%
Quilon	4.32	4.24	-1.85%
Malabar	2.9	2.74	5.52%
Nellai-Tuticorin	2.06	2.15	4.37%
Total	28.01	32.46	16%

Strengthening Member Federations

Catch Details

(In Crores)

Federation	Fish sales	Fish sales	Increase / Decrease %
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Kanyakumari District Fishermen Sangams Federations (KDFSF)

Fishermen Welfare Society (FWS), Kollam

Trivandrum District Fishermen Federation (TDFF)

Malabar Federation of Fishermen Societies (MFFS)

Nellai-Kattabomman Chidambaranar Fishworkers Development Society (NKCFWDS)

Association of Deep Sea Going Artisanal Fishermen (ADSGAF)

V. Other Services

Training for Alternative employment

Our attempts to create alternative employment continued with the training programmes in carpentry and fibre glass for fishermen youth. A new batch has been selected for the next two year course after the previous one has completed their course. Virtually all trained are getting employed in boat building especially within our own network.

A major development towards the end of the year was the contacts made with certain Canadian companies for starting IT training in cutting edge technologies and having very good job opportunities. A major initiative is being planned for the coming year. We hope to diversify our training and also provide opportunities for those who complete graduation while we have been so far concentrating on school dropouts only.

Support to Women's Organisations

We continued our managerial and financial assistance to the Sthree Niketh Vanitha Federation (SNVF) in Trivandrum. The federation has grown considerably due to this

and had now a membership of over 2500 fisherwomen making it one of the largest organisation of fisherwomen anywhere. They still face a number of problems, not the least of which is viability of operations.

We also provided support to the women's SHGs that our Kanyakumari federation is organising. We continued with our contacts with the Malabar Theeradesa Vanitha Federation though they have no specific requirements except for entrepreneurial training we provide to their members.

General Matters

The following are some of the highlights on organisational matters

- We started work on constructing additional office space in our head office
- Our Board met on 12 occasions and we held an annual general body meeting
- We have started a process of organisational renewal with the help of Kurian Kattikaren from Hyderabad as resource person. Shashi Rajagopal, also from Hyderabad conducted a training workshop on alternative registrations that SIFFS could opt for including the multi-state cooperative act.
- We got involved in the Ford Foundation's 50th anniversary celebrations in India by organising a south India fisherfolk festival in September. The celebrations included a technology exhibition and a cultural programme.
- Priyavardhan and Delbert left SIFFS for employment abroad while Dr.Subramaniam from madras joined our staff team to work on the east coast.
- Our staff were sent to a number of training programmes on a variety of subjects.
- We continued to receive excellent cooperation and support from HIVOS our donor and SIDBI and the IOB which are our main financiers for business activities.

