

BusinessLine

Waterbase to set up shrimp hatcheries

Swathi Moorthy



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Chennai, July 18:

The Waterbase Limited, manufacturer of high quality shrimp feed, is setting up hatcheries in Nellore, Andhra Pradesh, at an investment of ₹20 crore. It will be operational by the end of March 2017.

The hatchery can produce 500 million post-larvae or seeds per annum and it will be sold to farmers for growth and harvesting.

Ramakanth V Akula, Chief Executive Officer, told *BusinessLine* that the company's decision to set up a hatchery follows the booming shrimp export industry in the country.

Of the total marine exports, shrimp accounts for over 60 per cent, generating revenue of \$2.7 billion during FY15. This gives the seed industry a huge potential for growth.

Akula said, "India's seed requirement is five billion. Without the presence of organised players, availability of quality seed has become an issue and this gives us an opportunity to grow."

Capacity expansion

The company is planning to increase its hatchery capacity of 500 million to match the domestic requirement in the coming years. Merger with Pinnae Feeds Limited, a wholly-owned subsidiary of the Karam Chand Thapur Group that owns Waterbase, has leveraged Waterbase's distribution network, and enabled it to expand to Odisha and West Bengal.

Akula said, "We had capacity constraints and hence couldn't venture into new markets. This merger has increased Waterbase's capacity to 1.10 lakh tonnes a year, from 35,000 tonnes."

Feed is the major revenue generator for the ₹300-crore Waterbase Limited. The industry accounts for about ₹5,000 crore and the company has a market share of about 7 per cent. Though the industry is growing, Akula feels the US government's decision to hike anti-dumping duty will affect Indian exporters. Waterbase recently resumed their export operation and exports to the US and Europe.

Akula said, "The industry is growing at CAGR of 25 per cent, but it dropped last year due to fall in farm gate prices. Farmers reduced the area of cultivation resulting in reduced output."

Incessant rain and outbreak of diseases in FY2016 too played a role in shrimp exports dip. "But this year, we hope the exports to pick up again," he added.

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