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India

Fresh Deciduous Fruit Annual

2017

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Report Highlights:

Post forecasts marketing year (MY) 2017/18 Indian apple imports will decrease year on year about five-percent to 0.35 Million Metric Tons (MMT). Imports of pears also are projected lower at 0.03 MMT in MY 2017/18. The bulk of the decrease results from a temporary ban on Chinese apples and pears in India. The shortfall will be partly offset by increases in imports of both apples and pears from the United States, which remains a major supplier of deciduous fruits to India. Total Indian table grape production is projected at 3.0 MMT, in MY 2017/18; exports are expected to increase to 0.27 MMT.

Commodities:

Apples, Fresh

Production:

India's MY 2017/18 apple production is forecast at 2.3 MMT, an increase in production over the previous year owing to favorable growing and weather conditions. Indian apple production is limited to the hill states of Jammu & Kashmir (J&K), Himachal Pradesh (HP), and Uttarakhand. The North-Eastern hill states of Arunachal Pradesh, Nagaland, Meghalaya, Manipur, and Sikkim also grow smaller quantities of deciduous fruits. Production is primarily for domestic consumption, but limited exports go to the neighboring countries of Nepal and Bangladesh. The Government of India is working on avenues to increase yield and to rejuvenate orchards in the major apple producing states of J&K and HP. Most of the orchards, which focus on the popular Red Delicious, Royal Delicious and Rich Red varieties, are 30 to 35 years old. Harvesting in these areas of India generally occurs between July and October.

Consumption:

Even though India is one of the world's largest producers of apples, domestic supply cannot meet demand. Increased consumption from the growing middle class is unmet by production, which is limited by seasonality, geographical separation, and insufficient infrastructure. As a result, the apple is the most heavily consumed imported fruit in India. The major factors fueling apple demand are increasing population, growing disposable incomes, improving lifestyle, health awareness, and a large percentage of vegetarian consumers.

Given the current production and consumption scenario, the processed apple sector is poised for growth, although this will greatly depend upon the stability of supply as well as expansion of necessary transportation infrastructure and cold chains. Consumption is estimated at 2.24 MMT in MY 2017/18, up from 2.23 MMT the previous year. The fruit is consumed fresh; just two percent is processed and 12 percent is lost to spoilage or waste.

Figure 1. India: Apples Fresh, Consumption in Domestic Market 2001- 2017



Source: Trade Sources

Trade:

Following trade liberalization in April 1999, apple imports into India grew dramatically, reaching 0.37 MMT in MY 2016/17; imports are projected at 0.35 MMT in MY 2017/18. Apple imports from the U.S. are projected to increase despite an overall decline from the previous year owing to the temporary ban on Chinese apples by the Government of India.

In CY 2016 total apple imports into India were reported at USD 237 million, 44 percent of which was Chinese apples, followed by United States at 23 percent, and Chile at 14 percent. In CY 2015, apples from the U.S. had 54 percent of the imported market share, followed by China and Chile at 14 percent and 10 percent, respectively.

Table 1. India: Apples Fresh, Imports from Partner Countries, 2014-2016

Partner Country	United States Dollars		
	2014	2015	2016
World	236,847,307	215,268,500	237,949,714
China	86,854,857	30,107,652	103,873,901
United States	68,302,469	115,339,208	55,610,227
Chile	54,318,217	22,395,412	32,907,150
New Zealand	16,939,050	19,184,428	15,597,481
Italy	3,022,328	11,944,192	12,309,490
Others	7,410,386	16,297,608	17,651,465

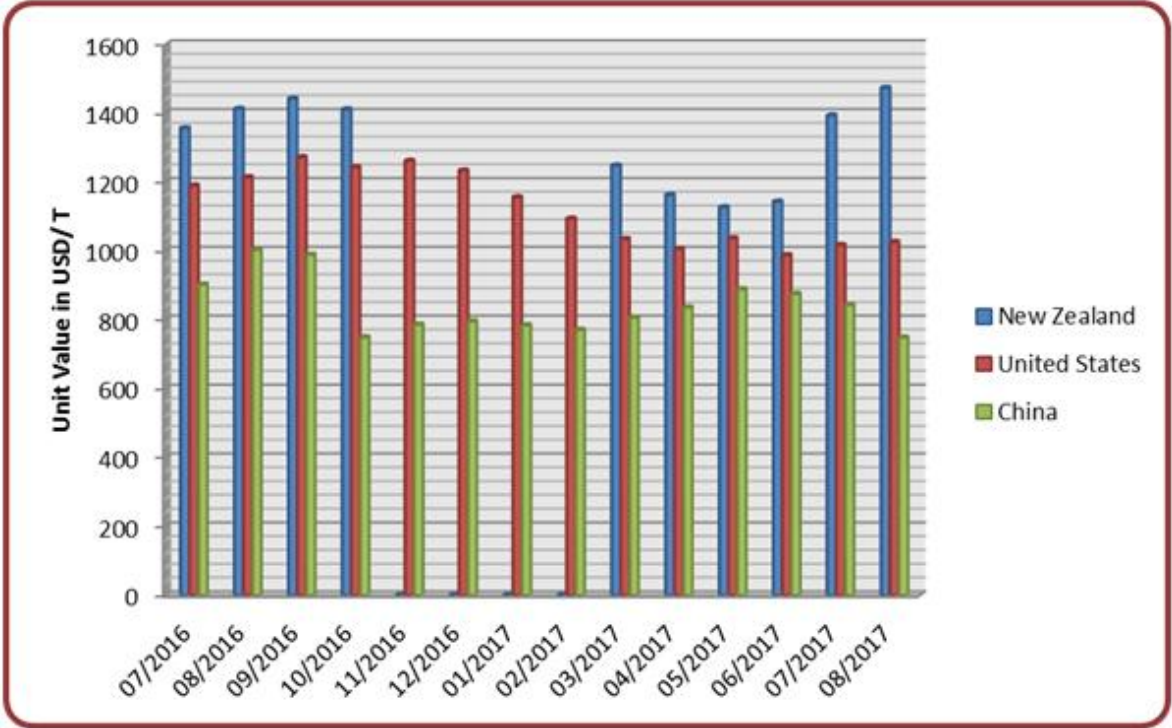
Source: Global Trade Atlas

Export of fresh apples from India is limited to neighboring countries Bangladesh and Nepal at 11,755 MT and 8,706 MT, respectively, in MY 2016/17. For MY 2017/18 exports are projected to be flat at 20,000 MT.

Price

In the MY 2016/17, average unit price for fresh apples from New Zealand imported into India was USD 940 per ton; U.S. and Chinese apples were USD 1,125 and USD 840 per ton.

Figure 2. India: Apples, Fresh, (HS Code 080810), Unit Price July 2016- August 2017



Source: Trade Sources and Global Trade Atlas

Policy:

While there are no quantitative restrictions on imports, fresh apples (HS Code 080810) face a basic tariff of 50 percent. Import of apples into India requires a phytosanitary certificate to be presented to Indian Customs during clearance. The conditions specified under the [Plant Quarantine order 2003](#) regulate the import of planting seeds and agricultural products (including fresh apples for consumption) from various countries into India.

On May 1, 2017, the Indian Ministry of Agriculture and Farmer Welfare’s (MAFW) National Plant Protection Organization (NPPO) issued a letter temporarily suspending imports of Chinese apples and pears. This step was taken as a provisional plant quarantine measure following detection of insects in Chinese horticultural exports to India. India was the largest importer of Chinese apples in MY 2016/17 (Refer to Table 1).

Table 2. India: Apples, Fresh, (HS Code 080810), Tariff

HS CODE	ITEM DESCRIPTION	BASIC	IMPORT POLICY
800810	Apples, Fresh	50%	Free Agri Permit

Production, Supply and Demand Data Statistics:**Table 3. India: Commodity, Apples, Fresh, PSD Table**

(Area in Hectares, Quantity in Metric Tons and Trees in Thousands)

Apples, Fresh Market Begin Year	2015/2016		2016/2017		2017/2018	
	Jul 2015		Jul 2016		Jul 2017	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	325,000	0	326,000	0	326,000
Area Harvested	0	277,000	0	278,000	0	278,000
Bearing Trees	0	79,600	0	79,900	0	79,900
Non-Bearing Trees	0	13,800	0	13,500	0	93,700
Total Trees	0	93,400	0	93,400	0	173,600
Commercial Production	1,900,000	2,520,000	1,900,000	2,258,000	0	2,300,000
Non-Comm. Production	0	0	0	0	0	0
Production	1,900,000	2,520,000	1,900,000	2,258,000	0	2,300,000
Imports	204,700	201,700	290,000	369,800	0	350,000
Total Supply	2,104,700	2,721,700	2,190,000	2,627,800	0	2,650,000
Fresh Dom. Consumption	2,084,200	2,311,200	2,172,000	2,231,000	0	2,245,000
Exports	20,500	20,500	18,000	20,800	0	20,000
For Processing	0	55,000	0	53,000	0	55,000
Withdrawal From Market	0	335,000	0	323,000	0	330,000
Total Distribution	2,104,700	2,721,700	2,190,000	2,627,800	0	2,650,000

Commodities:

Pears, Fresh

Production:

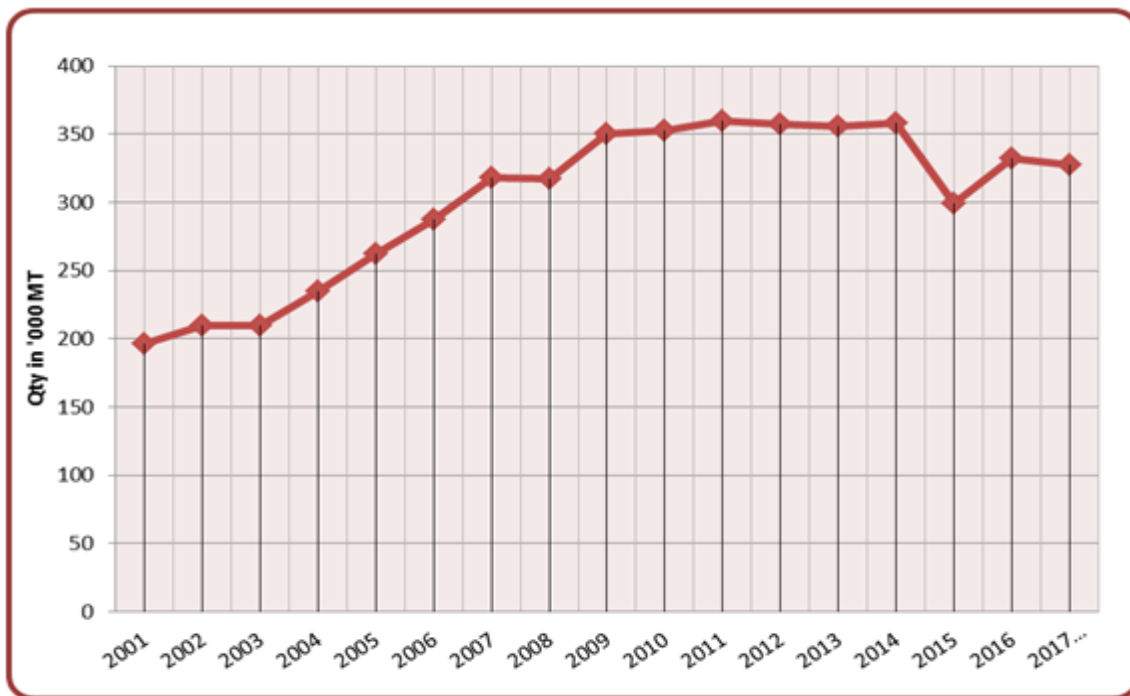
India cultivates over 20 varieties of pears throughout Punjab, Himanchal Pradesh, and Jammu and Kashmir; domestic supply is available from late summer to early winter. In MY 2016/17 pear production was down owing to unfavorable weather in the major pear-producing northern states of India. Domestic pear production for MY 2017/18 also is forecast down slightly to 0.35 MMT on the lower yields in the alternate year.

Consumption:

India produces a limited volume of pears domestically; imported fruit satisfies the remaining consumer demand. Drivers of increased consumption include: rise in disposable incomes, dual income households, and improved awareness that healthier diets should include fresh fruit. Consumption is projected to reach 327,500 MT in MY 2017/18, down from 332,200 MT in MY 2016/17.

With limited domestic production, high unit cost of imported fruit, and increased consumption of fresh fruit, the market for processed fruit remains small at about two percent of supply. Waste or spoilage still constitutes almost 12 percent of the annual pear supply.

Figure 3. India: Pears Fresh, Consumption in Domestic Market 2001- 2017



Source: Trade and Industry Sources

Trade:

Imports of U.S. origin pears are expected to increase but GOI restrictions on Chinese pears will drop total imports by about 13 percent year on year, from nearly 33,900 MT in MY 2016/17 to 30,000 MT in MY 2017/18. Total imports of fresh pears by value were USD 27 million, 21 million, and 15 million in CY 2016, 2015, and 2014, respectively. In CY 2016, China held the major market share for imported pears at 60 percent, followed by South Africa at 27 percent, and United States at 9 percent; in CY 2015 market share for Chinese pears was 50 percent, followed by South Africa at 31 percent, and United States at 18 percent.

Table 4. India: Pears Imports from Partner Countries, 2014-2016

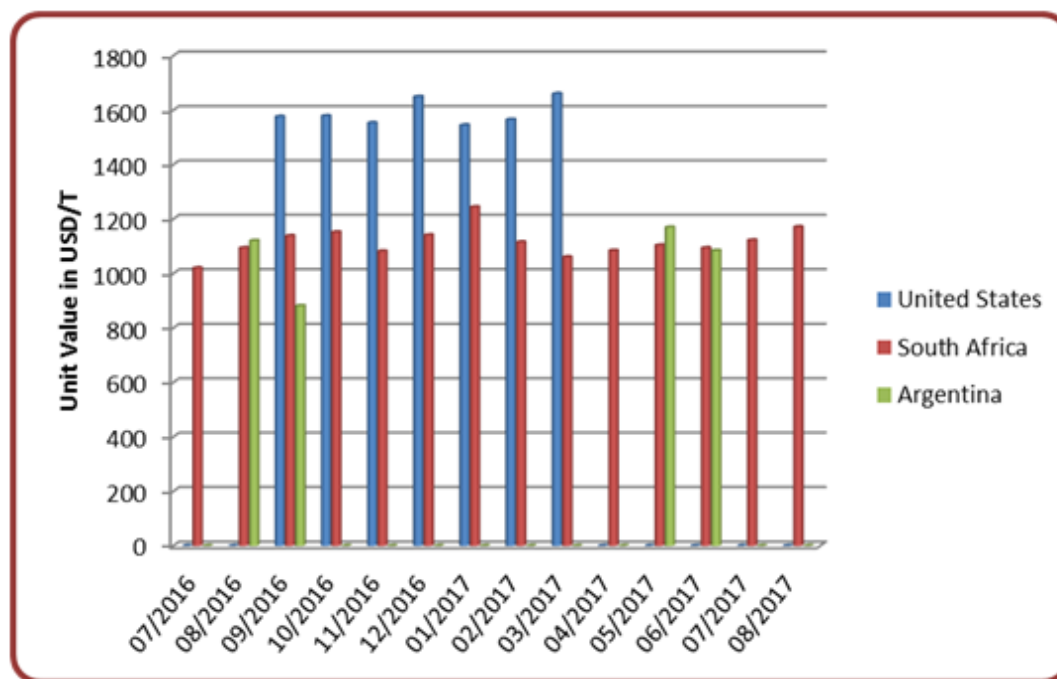
Partner Country	United States Dollars		
	2014	2015	2016
World	15,440,600	20,636,388	27,668,101
China	6,562,978	10,322,509	16,512,764
South Africa	4,993,026	6,386,336	7,561,252
United States	3,682,582	3,628,964	2,573,486
Belgium	179,745	229,203	632,901
Others	22,269	69,375	387,700

Source: Global Trade Atlas

Price

In MY 2016/17, China and South Africa were the major exporters of fresh pears to India, but pears from United States commanded premium prices in the domestic market. Unit price for pears from China ranged between USD 600 – 760 per ton, whereas pears from United States ranged from USD 1,550 – 1,660 per ton.

Figure 4. India: Pears, Fresh, (HS Code 080830), Unit Price July 2016- August 2017



Source: Trade Sources and Global Trade Atlas

Policy:

Fresh pears under HS code 080830 are assessed a basic tariff of 30 percent but have no quantitative restriction. A phytosanitary certificate must accompany any consignment imported to India, reference the conditions specified under the [Plant Quarantine order 2003](#).

On May 1, 2017, the Indian Ministry of Agriculture and Farmer Welfare's (MAFW) National Plant Protection Organization (NPPO) issued a letter temporarily suspending imports of Chinese Pears, effective June 1, 2017. At that time China held a 60 percent market share of India's fresh pear imports. (Refer to Table 4, Pear Imports from Partner Countries).

Table 5. India: Pears, Fresh (HS Code 080830), Tariff

HS CODE	ITEM DESCRIPTION	BASIC	IMPORT POLICY
800830	Pears, Fresh	30%	Free Agri Permit

Production, Supply and Demand Data Statistics:

Table 6. India: Commodity, Pears, Fresh, PSD Table
(Area in Hectares, Quantity in Metric Tons and Trees in Thousands)

Pears, Fresh Market Begin Year	2015/2016		2016/2017		2017/2018	
	Jul 2015		Jul 2016		Jul 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Area Planted	0	42,000	0	43,000	0	43,000
Area Harvested	0	40,000	0	42,000	0	42,000
Bearing Trees	0	11,500	0	12,000	0	12,000
Non-Bearing Trees	0	575	0	300	0	300
Total Trees	0	12,075	0	12,300	0	12,300
Commercial Production	340,000	323,000	340,000	352,000	0	350,000
Non-Comm. Production	0	0	0	0	0	0
Production	340,000	323,000	340,000	352,000	0	350,000
Imports	25,100	25,100	30,000	33,900	0	30,000
Total Supply	365,100	348,100	370,000	385,900	0	380,000
Fresh Dom. Consumption	365,100	299,075	370,000	332,200	0	327,500
Exports	0	25	0	0	0	0
For Processing	0	7,000	0	7,700	0	7,500
Withdrawal From Market	0	42,000	0	46,000	0	45,000
Total Distribution	365,100	348,100	370,000	385,900	0	380,000

Commodities:

Grapes, Table, Fresh

Production:

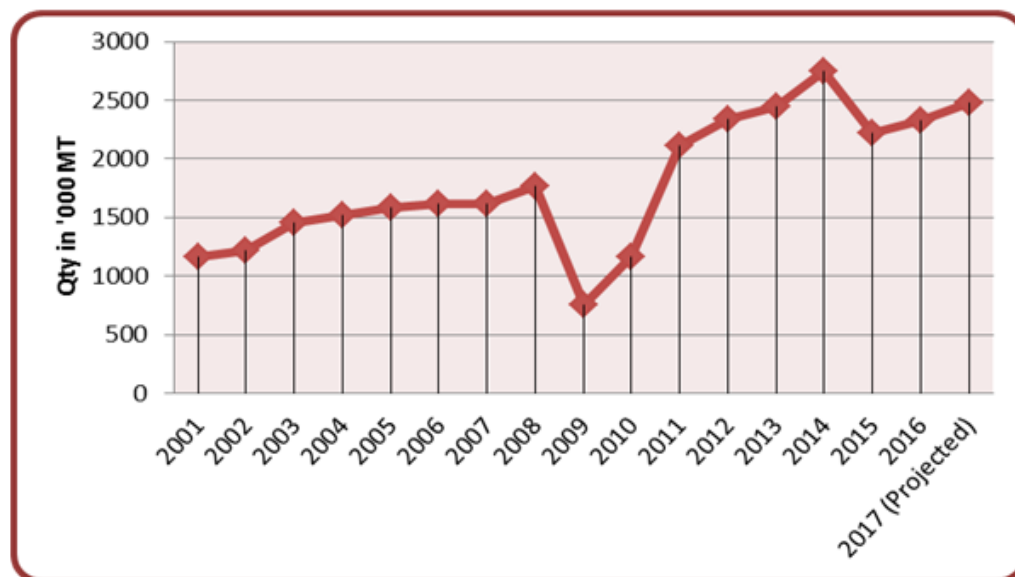
Grapes are an important fruit produce in India and planted area totals over 138,000 HA. More than 20 varieties of grapes are grown; Thompson seedless variety constitutes about 55 percent of the total cultivated area. Area under cultivation is up just 1.5 percent, but production is projected up by seven percent to 3.0 MMT in MY 2017/18, from 2.78 MMT on an area of 136,000 HA in MY 2016/17. Major grape growing states are Maharashtra, Karnataka, Telangana, Andhra Pradesh, Tamil Nadu, and the north-western region, which includes Punjab, Haryana, Uttar Pradesh, Rajasthan, and Madhya Pradesh. Maharashtra dominates production with over 80 percent of the total production area and volume.

Consumption:

India is a major producer and consumer of grapes; India consumed 90% of its own production, or 2.33 MMT grapes in MY 2016/17. A consumption increase of six percent to 2.48 MMT is expected in MY 2017/18. To fill the domestic supply and demand gap fresh table grapes are imported from several countries. Major factors driving increased consumption include urbanization, greater disposable income resulting from women entering the work force, and more health awareness.

Government of India’s Ministry of Food Processing and Industries (MoFPI) reports an approximate wastage or market withdrawal of eight percent in grapes. About 98% of grapes are consumed fresh. Domestic processing remains minimal because the cold chain for processing grapes is focused on export markets.

Figure 5. India: Grapes Fresh, Consumption in Domestic Market 2001- 2017



Source: Trade Sources

Trade:

India is a major exporter of fresh table grapes: exports in MY 2017/18 are projected to increase by 15 percent to 0.27 MMT, up from 0.23 MMT in MY 2016/17. Netherlands purchased 41 percent; United Kingdom, 15 percent; and Russia, 10 percent.

Table 7. India: Table Grapes Exports, 2014-2016

Partner Country	United States Dollars		
	2014	2015	2016
World	224,037,885	127,646,990	227,542,851
Netherlands	81,391,194	43,327,954	94,675,704
United Kingdom	36,337,131	17,862,928	33,685,069
Russia	30,072,795	14,269,775	22,090,996
United Arab Emirates	16,333,530	15,749,134	15,224,600
Bangladesh	9,735,826	2,135,037	10,677,322
Others	50,167,410	34,302,165	51,189,158

Last year the bulk of imports came from United States at 56 percent, Peru at 21 percent and China at 6 percent. Imports are predicted to grow by four percent in MY 2017/18 to reach 5,200 MT.

Table 8. India: Grapes Imports from Partner Countries, 2014-2016

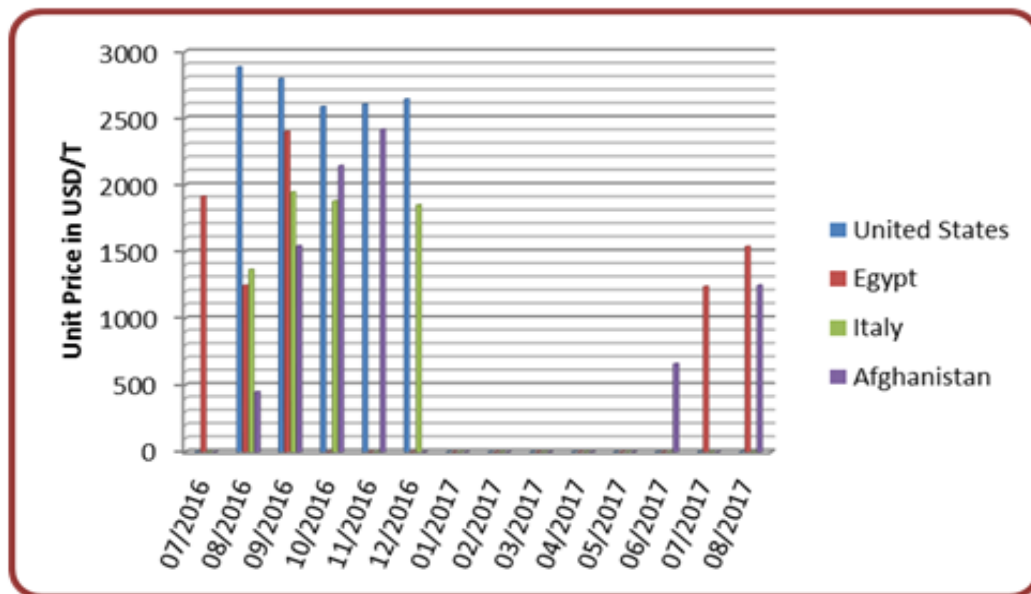
Partner Country	United States Dollars		
	2014	2015	2016
World	9,336,718	12,867,646	10,773,117
United States	4,400,712	6,638,350	6,001,447
Peru	1,459,210	2,708,522	2,213,965
China	70,781	117,569	697,950
Australia	1,449,217	1,234,458	574,287
Chile	1,391,870	1,038,961	468,981
Others	564,927	1,129,788	816,486

Source: Global Trade Atlas

Price:

Imported grapes arrive from July to December, when domestic produce is not available. United States holds the major market share by volume and also sells at premium prices.

Figure 6. India: Table Grapes (HS Code 080830), Unit Price July 2016-August 2017



Source: Global Trade Atlas and Trade Sources

Policy:

While there are no quantitative restrictions on imports, fresh grapes (HS Code 080610) are assessed a basic tariff of 30 percent. Import of grapes into India requires a phytosanitary certificate to be presented to Indian Customs during clearance. The conditions specified under the [Plant Quarantine order 2003](#) regulate the import of planting seeds and agricultural products (including fresh apples for consumption) from various countries into India.

Table 9. India: Table Grapes (HS Code 080610), Tariff

HS CODE	ITEM DESCRIPTION	BASIC	IMPORT POLICY
800610	Table Grapes, Fresh	30%	Free Agri Permit

With the recent signing of the Preferential Trade Agreement between Government of India and Government of Chile, grapes from Chile enjoy a preferential duty reduction of 20 percent over the base tariff of 30 percent that is paid on grapes from any other country of origin.

Production, Supply and Demand Data Statistics:

Table 10. India: Commodity, Grapes, Fresh, PSD Table						
(Area in Hectares, Quantity in Metric Tons and Trees in Thousands)						
Grapes, Fresh	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jun 2015		Jun 2016		Jun 2017	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	140,000	0	140,000	0	140,000
Area Harvested	0	122,000	0	136,000	0	138,000
Commercial Production	2,823,000	2,590,000	2,823,000	2,784,000	0	3,000,000
Non-Comm. Production	0	0	0	0	0	0
Production	2,823,000	2,590,000	2,823,000	2,784,000	0	3,000,000
Imports	4,800	4,600	5,000	5,000	0	5,200
Total Supply	2,827,800	2,594,600	2,828,000	2,789,000	0	3,005,200
Fresh Dom. Consumption	2,666,600	2,218,600	2,648,000	2,327,000	0	2,483,200
Exports	161,200	161,000	180,000	231,000	0	272,000
Withdrawal From Market	0	215,000	0	231,000	0	250,000
Total Distribution	2,827,800	2,594,600	2,828,000	2,789,000	0	3,005,200