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India

Fresh Deciduous Fruit Annual

2018

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Report Highlights:

FAS New Delhi forecasts marketing year (MY) 2018/19 declines in fresh apple import of approximately 9 percent year-over-year reaching 0.23 million metric tons (MMT). FAS New Delhi estimates declines in pear imports of 4 percent year-on-year to 14,000 metric tons (MT) overall. Import declines are largely due to significant rupee depreciation, Indian trade concerns about the global trade outlook, and a temporary ban on Chinese apples and pears from entry into Indian market. India will remain a major exporter fresh table grapes. FAS New Delhi projects MY 2018/19 table grape exports to increase by 6 percent year-over-year to 0.18 MMT from 0.17 MMT in MY 2017/18.

India Fresh Deciduous Report 2018

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Commodities:

Apples, Fresh

Production:

FAS New Delhi forecasts a 19 percent year-on-year increase to 2.3 million metric tons (MMT) in marketing year (MY) 2018/19 (July–June) Indian apple production, anticipating favorable weather conditions. Indian apple production is limited to the hill states of Jammu and Kashmir (J&K), Himachal Pradesh (HP), and Uttarakhand. The northeastern hill states of Arunachal Pradesh, Nagaland, Meghalaya, Manipur, and Sikkim also grow smaller quantities of deciduous fruits. FAS New Delhi revises MY 2017/18 Indian production estimates down to 1.92 MMT based on unexpected rains during early flowering time followed by a dry spell in the major apple-producing state of HP.

On May 27, 2016, the World Bank approved the India HP Horticulture Development Project, through which the Government of India will work on increasing yield and rejuvenating orchards. Most of the orchards are 30 to 35 years old of the popular Red Delicious, Royal Delicious, and Rich Red varieties. These areas generally harvest between July and October.

Consumption:

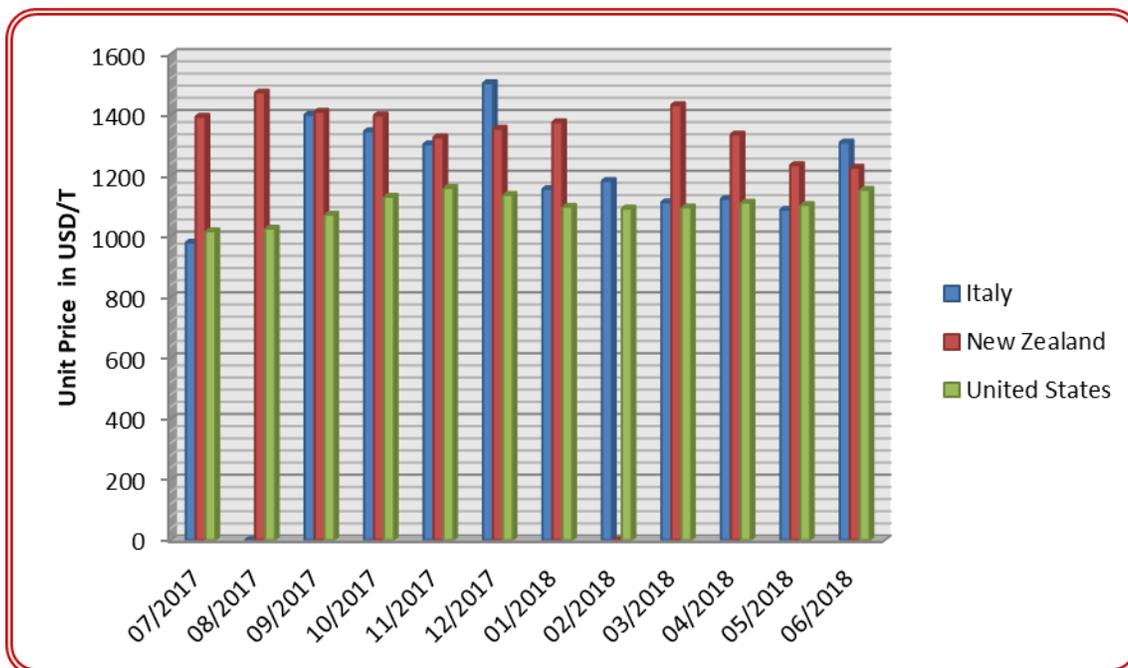
FAS New Delhi forecasts a rebound in MY 2018/19 Indian apple consumption to 2.2 MMT. The increase is due to availability, accessibility, food choice, changing demographics, urbanization, culture, and consumer attitude in India. Most importantly, Indian consumers' continued and growing health awareness and the apple availability drive consumption year-round. As a result, apples are the most heavily consumed imported fruit in India. The uninterrupted supply of apples has led to increased consumption in smaller markets of the country too. Indians primarily consume the fruit fresh; out of the entire production, two percent is processed and according to the Ministry of Food Processing and Industries 10.39 percent of apples are spoiled or wasted.

Domestic production is limited by seasonality, geographical separation, and insufficient infrastructure. It cannot meet increased consumption from the growing middle class. FAS New Delhi revises down the MY 2017/18 consumption numbers to 1.9 MMT. The revision reflects a depreciated Indian rupee that decreased Indian consumer's purchasing power, India's trade concerns about global trade outlooks, and noticeably lower domestic production.

Price

The MY 2017/18 average unit price for U.S. fresh apples imported into India was USD 1,099 per ton; Italy at USD 1,125 per ton; and, New Zealand at USD 1,246 per ton.

Figure 1. India: Apples, Fresh, (HS Code 080810), Unit Price July 2017- August 2018



Source: Trade Sources and Global Trade Atlas

Trade:

MY 2017/18 imports declined dramatically to 0.25 MMT due to significant rupee depreciation, Indian trade concerns about the global trade outlook, and a temporary ban on Chinese apples from entry into Indian market. FAS New Delhi forecasts MY 2018/19 import declines of approximately 9 percent to reach 0.23 MMT. Domestically produced apples are primarily consumed in India’s northern regions and other regions face limited distribution prospects. Therefore, the Indian market for imported apples in southern, western, and eastern markets of the country continues to grow.

In MY 2017/18, U.S. apple imports accounted for 57 percent of India’s total apple import by volume, followed by Chile at 15 percent, and New Zealand at 8 percent. Notably, MY 2016/17 total apple imports into India stood at 0.36 MMT, of which 52 percent were Chinese apples.

Table 1. India: Apples Fresh, Imports from Partner Countries, 2015-2017

Partner Country	United States Dollars
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	2015	2016	2017
World	215,268,500	237,949,714	306,911,306
China	30,107,652	103,873,901	121,406,387
United States	115,339,208	55,610,227	96,598,765
Chile	22,395,412	32,907,150	24,558,081
Italy	11,944,192	12,309,490	21,548,012
New Zealand	19,184,428	15,597,481	11,974,864
Belgium	4,505,578	7,778,252	9,168,074
Turkey	70,376	1,181,280	4,360,789
Poland	251,999	1,533,546	4,094,734
France	1,658,821	813,318	3,031,122
Others	9,810,833	6,345,070	10,170,478

Source: Ministry of Commerce and Industries, Government of India

In MY 2017/18, India exported 12,500 metric tons (MT) of fresh apples primarily to neighboring countries. Nepal and Bangladesh accounted for 71 and 28 percent of India's fresh apple exports, respectively. India's MY 2017/18 exports dropped due to decreased domestic production. FAS New Delhi forecasts increased MY 2018/19 exports to 18,000 MT based on augmented domestic production.

Table 2. India: Apples Fresh, Exports from India to Partner Countries, 2015-2017

Partner Country	United States Dollars		
	2015	2016	2017
World	10,338,651	8,095,811	6,664,900
Nepal	4,037,415	3,725,662	4,095,941
Bangladesh	6,264,052	4,098,961	2,558,629
Seychelles	0	0	7,602
Qatar	24	0	1,525
Oman	352	0	400
United Arab Emirates	0	0	236
United Kingdom	0	0	209
Singapore	130	0	117
Germany	0	0	67
Others	36,678	271,188	174

Source: Ministry of Commerce and Industries, Government of India

Policy:

There are no quantitative restrictions on fresh apple (HS Code 080810) imports, but they do face a 50 percent basic customs duty (BCD). Apple imports into India require a phytosanitary certificate be presented to Indian Customs during clearance. [Plant Quarantine order 2003](#) conditions regulate the import of planting seeds and agricultural products (including fresh apples for consumption) from various countries into India. Benefiting fresh apple sales, India’s July 2017 Goods and Services Tax assesses a zero percent tax on both domestic and imported fresh apples.

On May 1, 2017, the Indian Ministry of Agriculture and Farmer Welfare’s National Plant Protection Organization issued a letter temporarily suspending imports of Chinese apples and pears. On March 27, 2018, the Ministry of Commerce and Industry’s Directorate General for Foreign Trade published a notification removing port restrictions for imports of fresh apples (under HS Code 08081000 of chapter 8). The March 27, 2018 notification will allow imports of apples to a few limited ports in India, superseding the May 1, 2017 restriction (see GAIN [IN8035](#)).

Table 3. India: Apples, Fresh, (HS Code 080810), Tariff

HS CODE	ITEM DESCRIPTION	BASIC	IMPORT POLICY
080810	Apples, Fresh	50%	Freely Importable*

*Based on the conditions defined in import permit

Notes:

- Open General License (OGL) – no quantitative restrictions
- Social Welfare Surcharge (SWS) – 0 percent on BCD-exempted goods under HS Code 0808100 (Apples, Fresh)
- The India-Afghanistan Preferential Trade Agreement allows a 50 percent tariff concession on the basic import duty for goods imported from Afghanistan.

Production, Supply and Demand Data Statistics:

<p>Table 4. India: Commodity, Apples, Fresh, PSD Table (Area in Hectares, Quantity in Metric Tons and Trees in Thousands)</p>

Apples, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Jul 2016		Jul 2017		Jul 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Area Planted	326,000	326,000	326,000	326,000	0	326,000
Area Harvested	278,000	278,000	278,000	278,000	0	278,000
Bearing Trees	79,900	79,900	79,900	79,900	0	79,900
Non-Bearing Trees	13,500	13,500	93,700	13,800	0	13,800
Total Trees	93,400	93,400	173,600	93,700	0	93,700
Commercial Production	2,258,000	2,258,000	2,300,000	1,920,000	0	2,300,000
Non-Comm. Production	0	0	0	0	0	0
Production	2,258,000	2,258,000	2,300,000	1,920,000	0	2,300,000
Imports	369,800	369,800	250,000	249,000	0	225,000
Total Supply	2,627,800	2,627,800	2,550,000	2,169,000	0	2,525,000
Fresh Dom. Consumption	2,231,000	2,231,000	2,150,000	1,919,100	0	2,213,000
Exports	20,800	20,800	15,000	12,500	0	18,000
For Processing	53,000	53,000	55,000	38,400	0	54,000
Withdrawal From Market	323,000	323,000	330,000	199,000	0	240,000
Total Distribution	2,627,800	2,627,800	2,550,000	2,169,000	0	2,525,000

Commodities:

Pears, Fresh

Production:

FAS New Delhi forecasts a 21 percent year-over-year increase in Indian pear production to 340,000 metric tons (MT) in marketing year (MY) 2018/19 (July – June), assuming normal weather conditions for the upcoming season. India’s domestic MY 2017/18 pear production is lower than anticipated at 280,000 MT due to untimely rains in major pear-producing states during the March and April flowering months, FAS New Delhi revises down MY 2016/17 production estimates to 340,000 MT to reflect the latest production estimates from trade sources. Indian pear production is cyclical in nature, with yields varying by as much as 20 percent depending on weather conditions at the time of blossom and harvest.

Consumption:

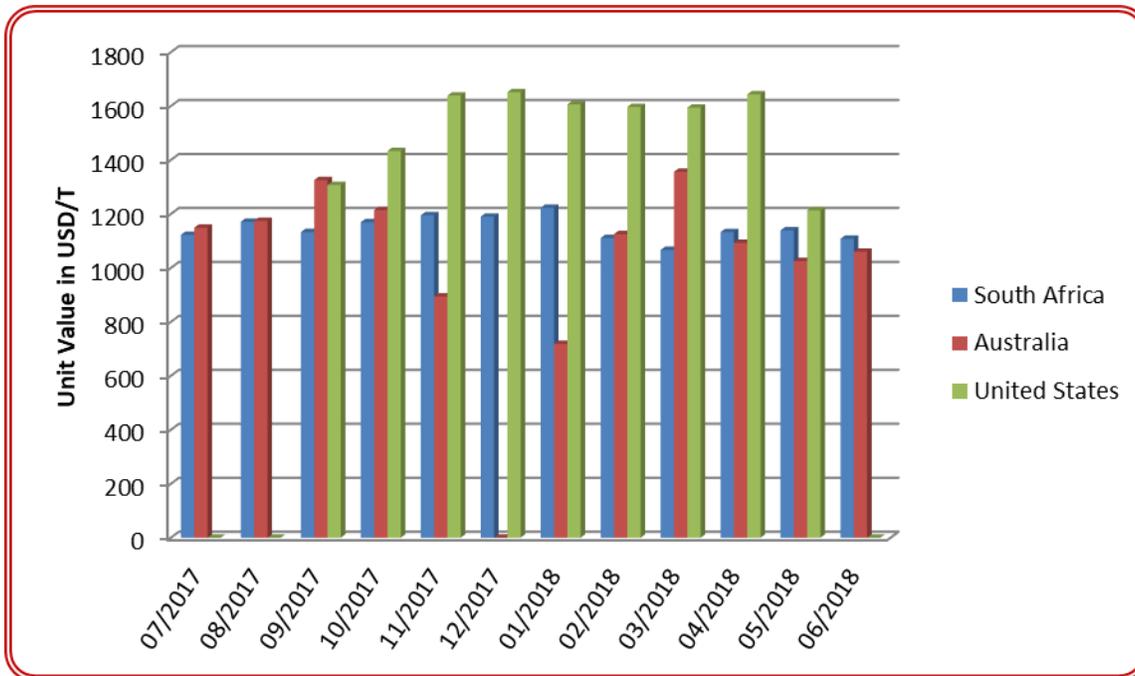
FAS New Delhi projects MY 2018/19 consumption to increase by 20 percent from the previous year to reach 313,200 MT based on domestic production forecasts. The rise in disposable incomes, growing dual income households, and improved awareness of fresh fruit’s role in healthier diets drive increased consumption.

With restrained availability of domestic pears, fresh pear imports satisfy remaining consumer demand. India produces a limited volume of pears domestically throughout Punjab, Himachal Pradesh, and Jammu and Kashmir, which are available from late summer to early winter. Indian consumers primarily consume pears in fresh form. Processing remains small at about two percent of domestic production because imported fruits’ high unit costs make them a less preferred option for processing. Waste or spoilage at approximately 10 percent of annual production.

Price:

The MY 2017/18 average unit price for fresh pears from South Africa was USD 1,147 per ton; U.S. imported pears into India priced at USD 1,140 per ton; and, Australian pear imports cost USD 1,011 per ton.

Figure 2. India: Pears, Fresh, (HS Code 080830), Unit Price July 2017- August 2018



Source: Trade Sources and Global Trade Atlas

Trade:

FAS New Delhi revises MY 2017/18 pear imports down to 14,600 MT due to Indian currency depreciation, Indian trade concerns about the global trade outlook, and a temporary ban on Chinese pears from entry into the Indian market.

The MY 2017/18 ban on Chinese apples from entry into Indian market upturned market dynamics. In MY 2016/17, China held the market share for imported pears at 70 percent, followed by South Africa at 21 percent, and the United States at 4 percent. Currently, South Africa dominates market share for imported pears at 70 percent, trailed by the United States at 14 percent, and Australia at 6.24 percent.

Assuming international prices for pears and the Indian rupee remain constant through MY 2018/19, FAS New Delhi estimates Indian pear imports will see an overall 4 percent year-on-year decline to 14,000 MT. Post attributes this decline to the ban on entry of Chinese pears and the devaluation of the Indian rupee.

Table 5. India: Pears Imports from Partner Countries, 2015-2017

Partner Country	United States Dollars
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	2015	2016	2017
World	20,636,388	27,668,101	18,602,424
South Africa	6,386,336	7,561,252	9,671,177
China	10,322,509	16,512,764	4,419,652
United States	3,628,964	2,573,486	2,616,191
Australia	0	0	514,339
Spain	0	60,863	485,034
Netherlands	0	90,193	292,083
Chile	0	18,129	270,954
Belgium	229,203	632,901	132,297
Argentina	0	83,000	101,238
Others	69,375	135,515	99,460

Policy:

The applicable basic customs duty (BCD) on fresh pears (HS Code 080830) is 30 percent with no quantitative restriction. [Plant Quarantine Order 2003](#) regulates the import of planting seeds and agricultural products (including fresh pears for consumption) from various partner countries into India. India's Goods and Services Tax, implemented in July 2017, assesses a zero percent tax on both domestic and imported fresh pears. On May 1, 2017, the Indian Ministry of Agriculture and Farmer Welfare's National Plant Protection Organization (NPPO) issued a letter temporarily suspending Chinese pear imports effective June 1, 2017. The NPPO ban caused China to lose its 70 percent share of the Indian fresh pear import market.

On February 1, 2018, the Government of India's Union Budget of 2018 abolished the Education Cess and the Secondary and Higher Education Cess. The budget introduced a Social Welfare Surcharge (SWS) of 10 percent of the BCD on imported goods, including fresh pears (see GAIN [IN8018](#)).

Table 6. India: Pears, Fresh, (HS Code 080830), Tariff

HS CODE	ITEM DESCRIPTION	BASIC	IMPORT POLICY
080830	Pears, Fresh	30%	Freely Importable*

*Based on the conditions defined in import permit

Notes:

- Open General License (OGL) – no quantitative restrictions.
- Social Welfare Surcharge (SWS) – 10 percent on BCD-exempted goods under HS Code 0808300 (Pears, Fresh)

Production, Supply and Demand Data Statistics:

Table 7. India: Commodity, Pears, Fresh, PSD Table
(Area in Hectares, Quantity in Metric Tons and Trees in Thousands)

Pears, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Jul 2016		Jul 2017		Jul 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Area Planted	43000	43,000	43,000	43,000	0	43,000
Area Harvested	42,000	42,000	42,000	42,000	0	42,000
Bearing Trees	12,000	12,000	12,000	12,000	0	12,000
Non-Bearing Trees	300	300	300	300	0	300
Total Trees	12,300	12,300	12,300	12,300	0	12,300
Commercial Production	352,000	340,000	350,000	280,000	0	340,000
Non-Comm. Production	0	0	0	0	0	0
Production	352,000	340,000	350,000	280,000	0	340,000
Imports	33,900	33,900	15,000	14,600	0	14,000
Total Supply	385,900	373,900	365,000	294,600	0	354,000
Fresh Dom. Consumption	332,200	326,300	312,500	261,000	0	313,200
Exports	0	0	0	0	0	0
For Processing	7,700	6,800	7,500	5,600	0	6,800
Withdrawal From Market	46,000	40,800	45,000	28,000	0	34,000
Total Distribution	385,900	373,900	365,000	294,600	0	354,000

Commodities:

Grapes, Table, Fresh

Production:

Grapes are a commercially important fruit produced in three distinct agro-climatic zones in India: sub-tropical, hot tropical, and mild tropical climatic. The hot tropical climatic region covers Maharashtra and Andhra Pradesh and is the major viticulture region. It represents over 80 percent of total production by area and volume. Irrigation is vital in this region as the evapotranspiration surpasses the precipitation. The majority of these vineyard areas are drip irrigated, while less than 10 percent are surface irrigated. The October 25, 2018 Central Water Commission's reservoir capacity report places the Maharashtra's full reservoir level at 9.13 billion cubic meters (BCM), which is about 65 percentage of the reservoir's 14.07 BCM capacity in state irrigation water. Consequently, irrigation water will not be an issue for growers.

Delayed rains in the hot climatic region pushed back pruning, which is anticipated to have a ripple effect on marketing year (MY) 2018/19 (June – May) production number, projected to decline 4 percent over previous at 2.77 metric tons (MT). FAS New Delhi revises India's grape production forecast for MY 2017/18 down to 2.8 million metric tons (MMT) due to rain damage.

Consumption:

India is a major producer and consumer of grapes. In MY 2017/18, India consumed 2.4 MMT grapes. FAS New Delhi projects MY 2018/19 consumption at 2.3 MMT. Major factors driving consumption include urbanization, increased disposable income resulting from women entering the work force, and more health awareness. The Government of India's Ministry of Food Processing and Industries reports an approximate 8.63 percent grape wastage or market withdrawal. Overall investment in raisin grape production compared to table grapes. Industry sources report use of table grapes in raisin production in India approximating 15 percent of total table grape production.

Trade:

India is a major exporter of fresh table grapes. FAS New Delhi projects MY 2018/19 table grape exports to increase by 6 percent to 0.18 MMT from 0.17 MMT in MY 2017/18. Indian grapes find shelf space at various markets globally: the Netherlands at 32 percent, Russia at 16 percent, and the United Kingdom at 9 percent make up the top three destinations. Over 50 percent of Indian grapes are exported to the European Union (EU). The EU continues to be the most preferred destination by Indian table grape exporters.

Despite slow economic recovery in EU countries, fresh grape consumption remains stable. EU MY 2017/18 table grape imports were high to compensate for reduced domestic production. Within the EU, top importing countries for Indian grapes remain the Netherlands at 32 percent, the United Kingdom at 9 percent, and Germany at 9 percent. The Netherlands serves mainly as a trans-shipping point. The top three major table grape suppliers to EU market are South Africa at 33 percent, Chile at 17 percent, and India at 14 percent.

Industry sources indicate South Africa's increased production and free trade agreement with the EU will give it an edge over Indian table grape exports. However, India's delayed shipment arrivals to market will be able to partially avoid a direct face off with South African grapes in the EU market.

Table 8. India: Table Grape Exports, 2015-2017

Partner Country	United States Dollars		
	2015	2016	2017
World	127,646,990	227,542,851	280,872,506
Netherlands	43,327,954	94,675,704	94,779,597
Russia	14,269,775	22,090,996	39,772,654
United Kingdom	17,862,928	33,685,069	24,022,753
Germany	3,996,349	8,916,658	21,306,916
United Arab Emirates	15,749,134	15,224,600	19,248,462
Others	32,440,853	52,949,822	81,742,127

MY 2017/18 imports were limited to 6,000 MT because of the availability of domestic production, FAS New Delhi projects MY 2018/19 imports to decline by 5 percent to 5,700 MT primarily based on the Indian rupee devaluation. Most imports came from the United States at 41 percent, followed by Peru at 16 percent, and China at 13 percent.

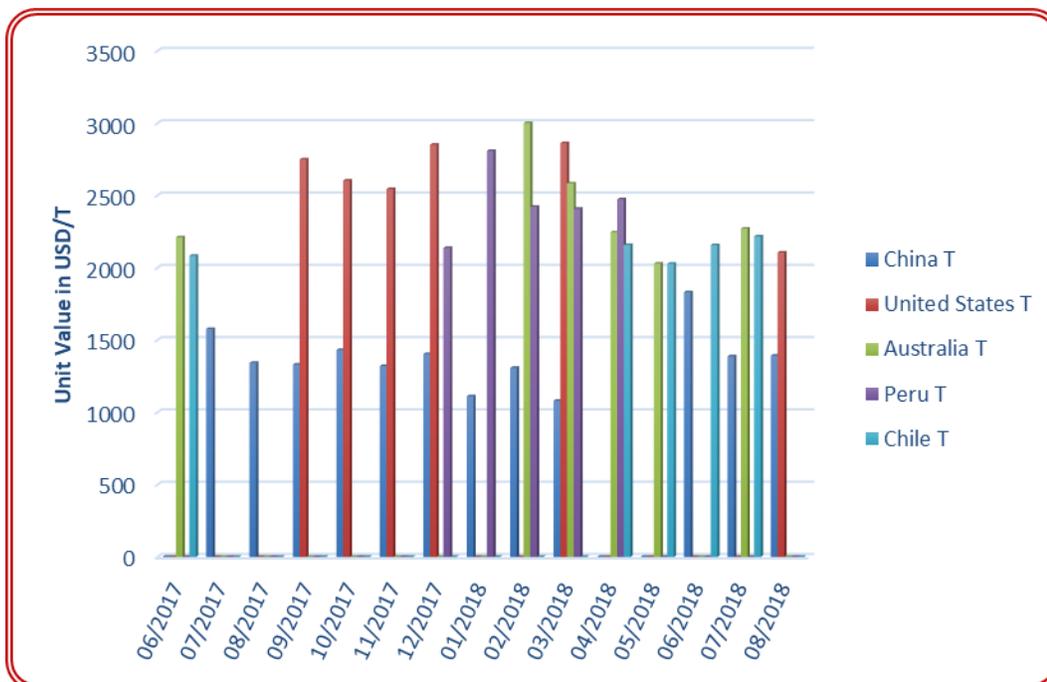
Table 9. India: Table Grape Imports, 2015-2017

Partner Country	United States Dollars		
	2015	2016	2017
World	12,867,646	10,773,117	11,227,101
United States	6,638,350	6,001,447	4,624,022
Peru	2,708,522	2,213,965	1,796,656
China	117,569	697,950	1,465,035
Chile	1,038,961	468,981	1,060,851
Others	2,364,246	1,390,773	2,280,536

Price

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

Figure 3. India: Grapes, Fresh, (HS Code 080610), Unit Price June 2017- August 2018



Source: Trade Sources and Global Trade Atlas

Policy:

There are no quantitative restrictions on fresh grapes (HS Code 080610) imports. They are assessed a basic tariff of 30 percent. Grape imports into India require a phytosanitary certificate be presented to Indian Customs during clearance. [Plant Quarantine Order 2003](#) conditions regulate the import of planting seeds and agricultural products (including fresh grapes for consumption) from various countries into India.

Table 10. India: Table Grapes (HS Code 080610), Tariff

HS CODE	ITEM DESCRIPTION	BASIC	IMPORT POLICY
080610	Grapes, Fresh	30%	Freely Importable

*Based on the conditions defined in import permit

Notes:

- Open General License (OGL) – no quantitative restrictions.
- Social Welfare Surcharge (SWS) – 10 percent on BCD-exempted goods under HS Code 080610 (Grapes, Fresh)
- The India-Afghanistan Preferential Trade Agreement allows a 50 percent tariff concession on the basic import duty for goods imported from Afghanistan.
- The India-Chile Preferential Trade Agreement allows a 5 percent tariff concession on the basic import duty on grapes imported from Chile.

Production, Supply and Demand Data Statistics:

Table 11. India: Commodity, Grapes, Fresh, PSD Table
(Area in Hectares, Quantity in Metric Tons and Trees in Thousands)

Grapes, Fresh Table	2016/2017		2017/2018		2018/2019	
	Jun 2016		Jun 2017		Jun 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Area Planted	140,000	140,000	140,000	140,000	0	140,000
Area Harvested	136,000	136,000	138,000	138,000	0	138,000
Commercial Production	2,784,000	2,784,000	3,000,000	2,800,000	0	2,700,000
Non-Comm. Production	0	0	0	0	0	0
Production	2,784,000	2,784,000	3,000,000	2,800,000	0	2,700,000
Imports	4,700	4,700	5,000	6,000	0	5,700
Total Supply	2,788,700	2,788,700	3,005,000	2,806,000	0	2,705,700
Fresh Dom. Consumption	2,355,800	2,355,800	2,555,000	2,394,000	0	2,300,700
Exports	201,900	201,900	200,000	170,000	0	180,000
Withdrawal From Market	231,000	231,000	250,000	242,000	0	225,000
Total Distribution	2,788,700	2,788,700	3,005,000	2,806,000	0	2,705,700