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India

Exporter Guide

2014

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Report Highlights:
India is a small and growing market for imported consumer food products. India's modern retail sector is expanding and, young and higher income consumers are trying global cuisines. Importers often attend major international food shows in search of new products. As tariffs are high and some products lack market access, exporters should determine if a product has access, be patient, be willing to start small, and must comply with specific labeling requirements.

Post:
New Delhi

Executive Summary:

SECTION I: MARKET OVERVIEW

India has one of the world's fastest growing large economies and, by some estimates, is projected to become the world's third largest economy by 2025. In 2010, annual gross domestic product (GDP) growth reached 8.9 percent. In 2013, it slipped to 4.7 percent growth. As per the Indian Central Statistics Office, India's GDP grew 5.3 percent in the quarter ending September 2014, compared with 5.7 percent in the previous quarter (April to June). Nominal wages, which grew around 17 to 19 percent until 2012, saw no increase in 2014, and experts expect this to have an impact on medium-term demand trends. The Reserve Bank has taken measures to control inflation and the year-on-year Wholesale Price Index (WPI) was zero for November 2014, meaning that wholesale prices in November 2014 were the same as in November 2013. At 4.4 percent in November 2014, the Consumer Price Index (CPI) registered its lowest rate of inflation since January 2012.

Presently, the economy is challenged by depreciation of the rupee and a looming fiscal deficit. Additionally, household demand for goods and services is relatively weak while industrial capital utilization is low (i.e., firms have excess capacity due to demand contraction; especially in rural areas).

The Government of India has not taken recent steps to lower tariffs or to improve access for imported food and agricultural products. Nevertheless, led by commodities such as pulses and vegetable oil for which tariffs are low, India's bulk, intermediate, consumer-oriented, fishery and forestry imports jumped from $10.4 billion in 2008 to $22.1 billion in 2013. Imports of consumer-oriented foods, led by tree nuts and fresh and dried fruits essentially have doubled since 2008 to $3.2 billion.

Table 1. India: Imports of Ag., Fish, and Forestry Products from the World (U.S. Billion $)

Category	2008	2013	2014 YTD (Jan-Sept)
Bulk	2.891	4.891	3.792
Intermediate	4.198	11.234	9.25
Consumer-Oriented	1.694	3.228	2.965
Fishery & Seafood	0.058	0.048	0.039
Forestry	1.591	2.745	2.159
Total	10.432	22.146	18.205

Source: Indian Ministry of Commerce through Global Trade Atlas

A. **Food Purchasing Behavior**

Traditionally, the Indian food consumer was someone who shopped regularly at small neighborhood stores for fresh ingredients to prepare Indian foods at home. Consumers rarely ate out and rarely consumed or prepared foods from other countries or cultures. Consumers adjusted their consumption to the seasonal or regional availability of food and it was common for the type of food consumed to change significantly between regions, within a state, or from rural to urban areas. While many of these patterns still hold true for the vast majority of Indians, food purchasing behaviors, particularly for upper income consumers, are beginning to change with the emergence of cafes, fast food restaurants, supermarkets, processed foods, larger refrigerators, 24-hour television food channels, easier access to imported foods, women working outside the home, rising numbers of nuclear families and the introduction of foreign cuisines.

In nominal terms, total expenditures on food and non-alcoholic beverages increased 46 percent between 2008 and 2013 to an estimated $313 billion. Despite persistently high food inflation in recent years, spending on food and non-alcoholic beverages accounted for 30 percent of total expenditures in 2013, down from 32.5 percent in 2007 according to data provided by Euromonitor. Lower income consumers spend a significantly higher portion of their income on food. Of total households, those accounting for the lowest 10 percent of incomes (annual incomes of less than $1,152) spent 54 percent of their income on food, while the 10 percent of households with highest incomes (annual incomes of $18,735 or more) spent 34 percent of their incomes on food in 2013. An estimated 20 to 30 percent of Indians are lacto-vegetarians and the bulk of household expenditures go to cereals, milk, cheese and eggs.

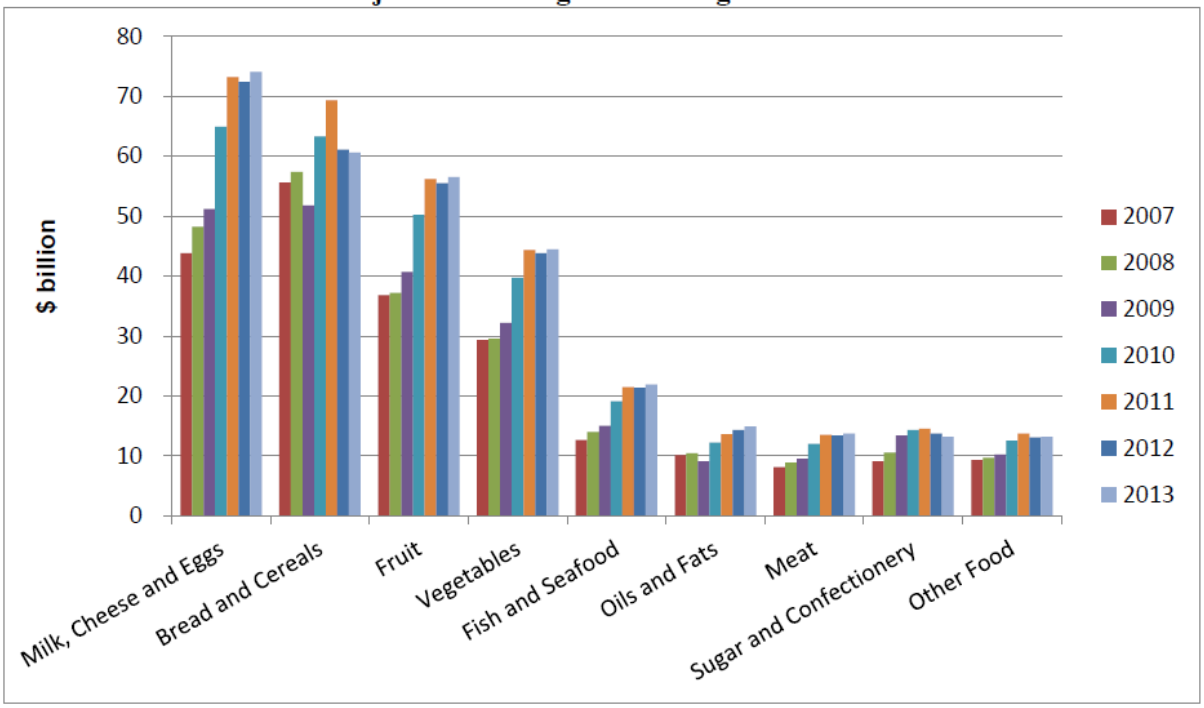
Table 2. India: Consumer Expenditures on Major Food Categories During 2013

Categories	**2013 ($ billions)**	**2007 – 2013 Growth Percentage**
Milk, Cheese and Eggs	74.10	69.2%
Bread and Cereals	60.60	9.0%
Fruit	56.50	53.5%
Vegetables	44.50	51.9%
Fish and Seafood	21.90	73.8%
Oils and Fats	14.90	47.5%
Meat	13.70	69.1%
Sugar and Confectionery	13.20	45.1%
Other Food	13.20	41.9%
Total	312.6	45.6%

Source: Euromonitor

Demand for specialty and high value foods such as chocolates, nuts and dried fruits, cakes, fresh fruits and fruit juices peaks during the fall festive season, especially at Diwali - the Hindu festival of lights which occurs during October or November depending on the lunar calendar. This is also the best time to introduce new-to-market food products in India.

Figure 1. India: Growth in Consumer Expenditures on Major Food Categories during 2008-2013



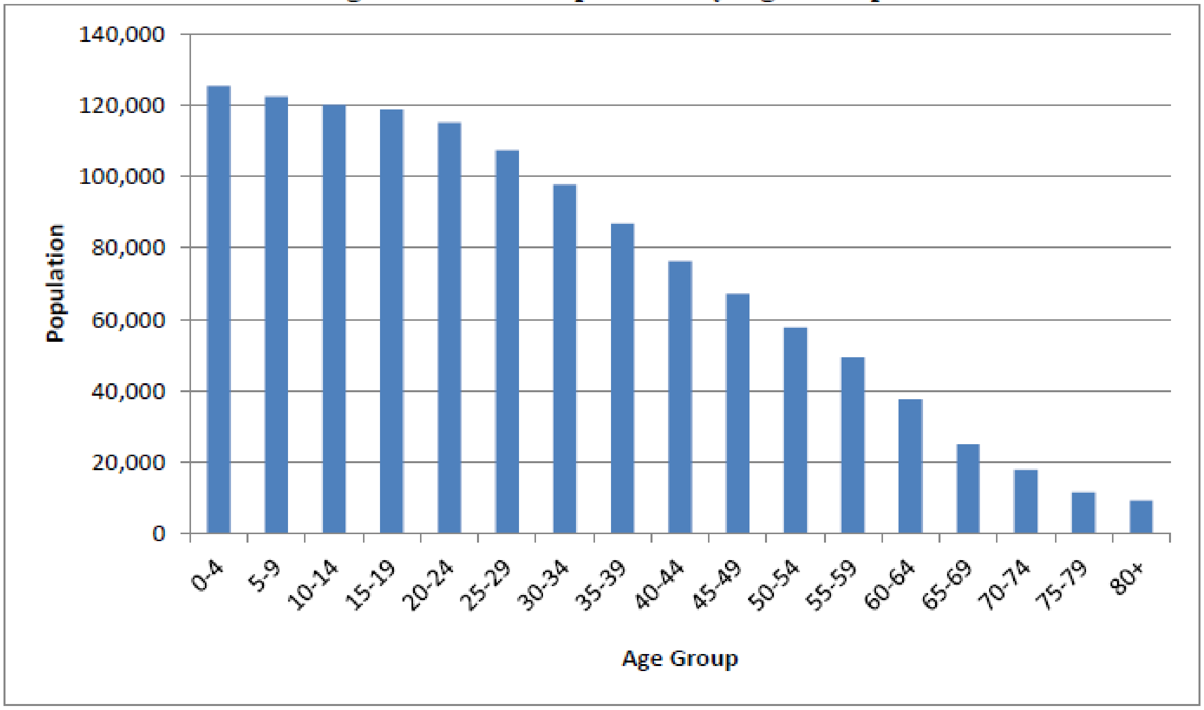
Source: Euromonitor

B. Consumer Demographics

With a population of 1.25 billion, India is the world's second most populous country after China. India is also one of the youngest countries in the world with a median age of 25. Nearly 60 percent of Indians are under the age of 30. However, declining birth rates suggest that the Indian population will age over the next 10 years with the fastest growth occurring among those aged 30 and above - a group that comprises the highest earners.

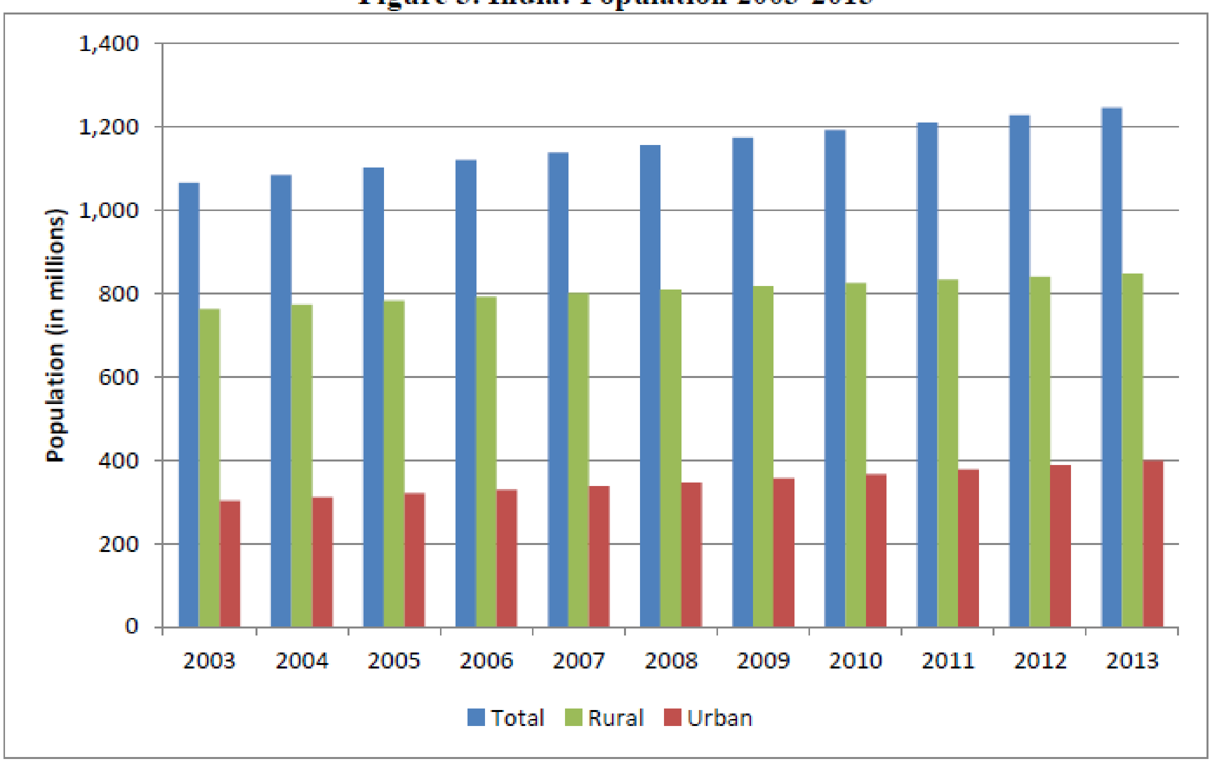
Nearly half of all Indians are married and families traditionally live in joint or extended families resulting in an average household size of 5.3 people in 2011. In urban areas, smaller nuclear families are becoming more common as mobility and employment opportunities increase.

Figure 2. India: Population by Age Group



Source: Euromonitor

Figure 3. India: Population 2003-2013



Source: Euromonitor

Over 850 million Indians live in rural areas compared to 400 million who live in urban areas. While the urban population is growing at more than double the rate of rural areas as migrants move to cities in search of opportunity, it will likely be several decades before India's population will become majority urban. Agriculture accounts for an estimated 14 percent of Indian GDP, but over half of Indians are employed in agriculture, suggesting that urban areas will continue to gain population as surplus labor moves to cities. Nevertheless, rural areas are emerging as important markets for fast moving consumer goods. A study by the Confederation of Indian Industry and Technopak estimated the total value of the rural market at $425 billion in 2010. Aside from vegetable oil and pulses, opportunities for imported value-added or consumer-ready foods are likely limited in rural areas while showing promise in Tier 1, Tier 2, and some Tier 3 cities.

While media reports touting the rise of the Indian middle class abound, incomes in India continue to be relatively low. The World Bank classifies India as a "low income" country. The annual per capita gross income was $1,499 during 2013 according to data compiled by World Bank. The Government of India recently published a similar estimate indicating that real per capita annual disposable income grew 20.2 percent from 2011 to 2013 to Rs. 74,380 ($1,239).

Persistent low incomes and rising food prices present nutritional challenges for many Indian consumers. A 2009 Food and Agriculture Organization report estimated that one out of every five Indians is undernourished. The HUNGaMA (Hunger and Malnutrition) Report - 2011 by the Government of India indicates that 42 percent of Indian children are underweight. According to India's National Sample Survey Office, Indians continue to spend a large percentage of their incomes of food with rural Indians spending 57 percent and urban residents spending 44 percent. To some degree, the large number of lower income earners may reflect the large numbers of younger Indians who have not yet moved into their prime working years. In addition, the practice of living in extended families also helps to stretch incomes in India. Indians continue to be excellent savers saving nearly 30 percent of their incomes on average.

Table 3. India: Population and Growth within Per Capita Income Categories 2008-2013
(Income categories defined following the table.)

2013 Per Capita Income Band	**2013 Million People**	**2008-2013 Percent Growth in People per Category**
A: Above $2,710	81	9.4
B: $2,032-$2,710	47	4.3
C: $1,355-$2,032	102	3.8
D: $677-$1,355	255	6.4
E: Below $677	391	16.9

Source: Euromonitor, Annual Gross Income Per Capita in 2013 was $1,355 or Rs. 79,392

- Social Class A: Reflects earners with annual incomes that are 200 percent or more of the per capita gross income for earners over the age of 15 which equates to incomes above $2,710.
- Social Class B: Reflects earners with annual incomes that are 150-200 percent of the per capita gross income for earners over the age of 15 which equates to $2,032-$2,710.
- Social Class C: Reflects earners with annual incomes that are 100-150 percent of the per capita gross income for earners over the age of 15 which equates to $1,355-$2,032

- Social Class D: Reflects earners with annual incomes that are 50-100 percent of the per capita gross income for earners over the age of 15 which equates to $677-$1,355
- Social Class E: Reflects earners with annual incomes that are less than 50 percent of the per capita gross income for earners over the age of which equates to incomes below $677

While consumption of processed foods such as domestically-produced chips, biscuits and vegetable oils penetrates the lower income categories, current opportunities for value-added imported foods are generally thought to be limited to higher income consumers. According to data provided by Euromonitor, average consumer expenditure (for all products) per household by the top 10 percent of Indian households rose to $8,923 in 2013 from $ 8,084 in 2010. Trade sources frequently estimate India's market for luxury goods at 10 million people and data from Euromonitor indicates that during 2007-2012, the luxury goods markets in India recorded real growth of 270 percent. There are nearly 636,000 households with annual incomes in excess of $150,000, up from 342,000 in 2007.

Regionally, the union territories of Delhi (Rs. 219,979), Chandigarh (Rs. 156,951), and the small state of Sikkim (Rs. 176,491) have the highest per capita incomes. Among states, Gujarat (Rs. 96,976), Maharashtra (Rs. 114,392, home to Mumbai), Tamil Nadu (Rs. 112,664, home to Chennai), Karnataka (Rs. 84,709, home to Bengaluru, formerly known as Bangalore), along with Haryana (Rs. 132,089) have the highest per capita incomes. The states of Bihar (Rs. 31,229) Uttar Pradesh (Rs. 37,630, India's most populous state), and Jharkand (Rs. 46,131) have the lowest per capita incomes.

Advantages	**Challenges**
Expanding number of middle and upper income consumers willing to diversity diets.	Incomes are relatively low and high income consumers are spread throughout the country.
Increasing urbanization and growing number of working women that has led to rise of dual-income households.	Diverse agro-industrial base offering many products at competitive prices and preference for fresh traditional foods.
Increasing exposure to international products and western lifestyle.	Indian food companies (including many multinational companies) produce western-style food products at competitive prices.
A slow but, gradual transformation of the retail food sector in urban and rural areas.	Difficulties in accessing vast semi-urban and rural markets due to infrastructure limitations.
U.S. food products are considered safe and of high quality.	High tariffs, persistent sanitary and phyto-sanitary requirements that effectively prohibit or restrict imports and competition from other countries.
Strong U.S.-India ties and political stability in India.	Unwillingness of U.S. exporters to meet Indian importers' requirements (mixed shipments, changing product specifications to conform to Indian food laws, etc.).
Growing domestic and international tourism and rise in food/lifestyle media creating opportunities for niche products.	Competition from countries having geographical proximity and freight advantage.

SECTION II: EXPORTER BUSINESS TIPS

A. Food Preferences

An estimated 20-30 percent of the Indian population is strictly vegetarian in accordance with the tenets of Hinduism. Those Hindus who eat meat tend to do so sparingly and beef (cow meat) consumption is taboo among Hindus, Jains and Sikhs who comprise over 80 percent of India's population. Furthermore, non-vegetarian food is not consumed during special days or religious observances. India's large Muslim population (estimated at 160 million) does not consume pork and eats Halal animal products that are sourced from livestock that were slaughtered according to the tenets of Islam.

Indians tend to take pride in the many regional and varied foods that comprise Indian cuisine. In general, Indians have a strong preference for fresh products, traditional spices and ingredients, which has generally slowed the penetration of American and other foreign foods. However, the acceptance of packaged, convenience and ready-to-eat food products is increasing, especially among younger consumers and the urban middle and upper middle class. Many Indians are quite willing to try new foods while eating out, but often return to traditional fare at home. Italian, Thai and Mexican foods are reportedly the fastest growing new cuisines in India and consumers are slowly diversifying their consumption patterns.

Typical imported food items that can be spotted in retail stores in major cities include dry fruits and nuts, cakes and cake mixes, pastries, chocolates and chocolate syrups, seasonings, biscuits, canned fruit juices, canned soups, pastas, noodles, popcorn, potato chips, canned fish and vegetables, ketchup and other sauces, breakfast cereals, and fresh fruits such as apples, pears, grapes and kiwis.

B. Shopping Habits

Indian consumers traditionally purchase their daily food needs from small neighborhood stores and vendors because of convenience, perceived freshness, and limited refrigeration and storage space at home. Quality is considered important, but there is a reluctance to pay a premium for such. With the penetration of modern retail outlets in larger cities, suburbs, and semi-urban areas, more and more Indians are gaining exposure to organized retail. A growing number of people in urban areas are widely travelled and have experienced international cuisines and branded food products. These consumer groups (mostly young professionals) have higher levels of disposable income and generally prefer making weekly/monthly purchases of processed foods and branded products. In general, most of the shopping and food purchasing decisions are made by women. In households that can afford hired help, servants often do much of the shopping. Availability of many fresh foods, particularly fruits and vegetables, is seasonal, and people are accustomed to adjusting their diet to the season.

A typical Indian household will make regular purchases of wheat flours, pulses, edible oils, ghee (clarified butter), dairy items (milk, butter, yogurt, paneer (cottage cheese)), spices and condiments, pickles, noodles, snack foods, jams and sauces. Most packaged food items are sold in small containers to keep pricing low and to accommodate with the limited storage space in a common urban household.

C. Distribution Systems

Marketing channels for imported foods often involve several intermediaries. Indian firms typically import, with the help of a clearing and forwarding agent, and distribute food products to retailers. While a number of importers have their own warehouses, others may utilize clearing and forwarding agents to facilitate the storage, movement and distribution of goods given the high cost of building and maintaining warehouses and maintaining truck fleets. Importers/distributors with national distribution typically have sub-offices in regional cities or appoint other distributors to market their products in specific regions.

For domestically produced foods, clearing and forwarding agents transport merchandise from the factory or warehouse to “stockists” or distributors. While the agents do not take title to the product, they receive 2 to 2.5 percent margins, then invoice the stockist, and receive payment on behalf of the manufacturer. The stockists have exclusive geographical territories and a sales force that calls on both the wholesalers and on large retailers in urban areas. They usually offer credit to their customers and receive margins in the range of three to nine percent. The wholesalers provide the final link to those rural and smaller retailers who cannot purchase directly from the distributors.

Sales to these retailers are typically in cash only and the wholesalers receive a margin of two to three percent. Margins for retailers vary from 5 to 35 percent, and the total cost of the distribution network represents between 10 and 20 percent of the final retail price. As a rule of thumb, retail prices of imported foods are typically two to three times higher than FOB export prices after tariffs, excise, margins and transportation costs added on. Added costs for products requiring refrigeration or special handling are even higher.

With the rise of chain restaurants, modern companies specializing in the handling of food have also emerged. These firms are equipped to comply with rigorous temperature and quality specifications on behalf of their clients and offer modern warehousing and transportation facilities.

Retailers rarely import directly, relying on importers and distributors to handle the clearing and storage of products. However, a few of the larger modern retail chains have started to import certain products directly. Imported packaged foods enter India from regional trading hubs such as Dubai, Singapore and Hong Kong as well directly from supplying countries. Major importers are located in Mumbai, Delhi, Bengaluru, Kolkata, and Chennai. Successful U.S. exporters have generally tended to work through reliable regional distributors to reach target markets.

D. Infrastructure

Refrigerated warehousing and transportation facilities are limited and costly, but facilities are reported to be improving. In some cases, high electricity costs and/or erratic power supplies have constrained cold chain development. Whereas infrastructure projects were previously reserved for the public sector, private investors are now being encouraged by government of India to participate in developing roads, warehouses markets and transportation links.

India has 3.34 million kilometers (2 million miles) of roads and roads in some areas have improved considerably over the past 10 years. Nevertheless, road travel can be slow and difficult. India also has over 65,000 km (40,389 miles) of railroads that carry over 30 million passengers and 2.8 million tons of freight per day.

India has a coastline of 7,600 kilometers and is serviced by 13 major ports in Kandla, Mumbai, Mundra, Cochin, Murmagoa, and New Mangalore on the west coast, and Chennai, Tuticorin, Vishakhapatnam, Paradeep, Ennore and Kolkata on the east coast. Container handling facilities are available at most major ports and in several major cities. Mumbai, followed by Chennai, is India’s largest container port and the port where most containerized food enters India. Air shipments typically land at the Mumbai or

Delhi airports. Freezer and refrigeration facilities at the Mumbai and Delhi airport are limited and present a challenge for importers seeking to clear high value food products with a short shelf life.

E. Finding a Business Partner

The most important question exporters can ask as they research the Indian market is “does my product have market access?” See the trade policy section of this report for more details. If yes, then the next thing to consider is pricing relative to Indian incomes. As a rule of thumb, a product is likely to be two to three times more costly than the U.S. FOB price once it reaches the retail shelf. Consequently, determining whether a product should target the small number of high-income consumers or larger numbers of middle income consumers is the key in assessing market potential in India. Exporters should then consider whether they are willing to start small, meet special labeling requirements, ship mixed or partial containers and be both persistent and patient.

If an exporter is still interested in the Indian market, the next step is to locate a reliable importer/distributor. A group of professional importers who are keen to manage brands is developing in India and many are interested in expanding their product lines. These importers typically seek exclusive rights to market a particular product or brand. Generally speaking, U.S. companies should avoid the temptation to establish a relationship with an importer/distributor merely because they are the most persistent suitor. India effectively prohibited imports of most food products until 12 years ago. Hence, the food import business is relatively new and exporters would be wise to meet potential importers and research their business profile carefully through banks and trade associations.

A visit to India to gain a first-hand feel of the Indian market, preferably coinciding with a major food show, such as AAHAR, Annapoorna (a USDA endorsed show), or Food and Grocery Forum (see Appendix B for more details) offers a good opportunity to learn more about the Indian market and meet prospective importers. Similarly, increasing numbers of Indian importers are visiting international food shows such as ANUGA, SIAL and Gulfood.

Restaurant franchises are another way of introducing new products. An increasing number of chains are opening in India including casual dining, fast food, and cafes. While many of these companies source foods that are produced in India, some require specialized ingredients or imports of certain items that are not readily available. Exporters should check with importers to see if they are approved suppliers for franchises. Additionally, India’s hotel sector has traditionally represented a small but consistent market for certain high-value food products that cannot be readily sourced in India.

Consider the following before selecting a distributor:

- Do they have a national or regional distribution network?
- How is their distribution network structured?
- Who are their customers? Do they sell to retailers, hotels or restaurants?
- What are their capabilities? Do they have experience handling perishable or value added foods?
- Are they interested in marketing your products? If so, how will marketing costs be handled?
- Are they managing similar brands or products from other suppliers? If yes, then can this lead to conflict of interest or can be beneficial in having someone with experience in similar like of business.
- What are the margins and costs charged by the distributor?

- Recognize that agents with fewer principals and smaller set-ups may be more adaptable and committed than those with a large infrastructure and established reputations.
- Be prepared to start small by shipping a few pallets or cases of a product and recognize that it could take several months or years before an importer is ready to order full containers.
- Be willing to meet country specific labeling requirements and consider working through a consolidator or participating in mixed containers.

Ensuring payment is another important consideration when establishing a relationship with an importer. Until a successful working relationship is established, exporters may wish to consider vehicles such as an irrevocable letter of credit. Alternatively, Indian importers are accustomed to operating without credit and may be willing to pay cash prior to shipment. While FAS India receives few queries concerning delinquent Indian importers, our offices do not have the authority or expertise to mediate contractual disputes or serve as a collection agent when differences over payment arise. FAS India can recommend local legal services (refer IN4069), but these situations can be avoided with proper preparation and sale terms. For firms that qualify, the Export Import Bank of the United States provides exporter insurance. USDA's Export Credit Guarantee Program (GSM-102) is not operational in India.

A number of regional trade associations and chambers of industry are active in India. These associations work on behalf of local and multinational food and food ingredient manufacturers, processors, importers, farmers, retailers, cooperatives etc. Please see Appendix E for details on such trade associations operating in India. Exporters are advised to identify appropriate associations and work closely with these associations to explore opportunities in the Indian market. There are several U.S.-based trade groups that are active in India. For more information please refer to Appendix C.

F. Trade Policy

There are several key trade restrictions that limit market access for U.S. food products. Imports of most animal and livestock-derived food products are effectively banned because of established Indian import requirements. This includes certain sub-categories in the Harmonized Tariff Schedule under Chapters 2, 3, 4, 5, 16, and 21 (e.g. certain dairy products, poultry meat, certain seafood, ovine and caprine products, as well as pork products, and some pet foods). Further, imports of beef are banned due to religious concerns. And, imports of alcoholic beverages are constrained by local taxes and a complex licensing system for distribution and sales.

Effective July 8, 2006, the Government of India's (GOI) Foreign Trade Policy (2004-2009) specified that all imports containing products of modern biotechnology must have prior approval from the Genetic Engineering Approval Committee (GEAC), Ministry of Environment and Forests. The policy also made a biotech declaration mandatory. No biotech food product or ingredient is officially permitted for commercial importation. The only exception is soybean oil derived from glyphosate-tolerant soybeans, which was approved for importation on June 22, 2007, by the GEAC. For more information on India's biotech import policy, please see IN4059 – 'Agricultural Biotechnology Annual 2014'.

G. Advertising and Sales Promotion

Advertising and trade promotion in India is creative and well developed. Most major U.S. advertising firms choose local partners as they know India and Indians best. Advertising through television is especially popular in India. Increasing numbers of Indian consumers have access to a number of national and international channels through satellite television. Hindi channels are popular among the majority of the middle-income population. In addition to government-run television in various regional languages, there are several popular national, international, and regional privately-owned channels. Most urban households have televisions, and televisions are also increasingly present in rural India. India also has a number of national and local newspapers in a variety of languages. The number of radio stations is also increasing, especially in larger cities.

While mass advertising through television, radio or newspapers is relatively expensive, U.S. trade associations, cooperators or companies that have an established or growing presence in the market may find that a broader advertising strategy could help increase awareness and sales of their products. There are a few products such as fresh and dried fruits that enjoy considerable success in the market and despite the higher cost of mass advertising may be ripe for broader marketing engagement with the Indian consumer.

For smaller and new-to-market exporters, targeted promotions are likely a more appropriate and cost-effective approach to marketing. Indian importers and distributors are generally eager to support marketing campaigns (e.g., tastings, demonstrations, and point-of-sale information), but often note that foreign suppliers are unwilling to provide adequate marketing support.

There are a large number of annual trade shows focusing on various aspects of the food sector. These shows cater to Indian exporters and the domestic food industry, but a few shows are starting to become viable options for foreign food exporters. This report lists shows in Appendix B, one of which, Annapoorna, is currently endorsed by USDA. The show has been well attended by distributors and importers, supermarket chains, hotels, restaurants and food service providers and is emerging as a major show in western India. Additional information on other Indian trade shows can be accessed from the following report – IN4020.

H. Business Etiquette

India offers one of the largest English-speaking workforces in the world. Although Hindi is India's leading national language, most Indian officials and business people have an excellent command of English. Most Indian businessmen have traveled abroad and are familiar with western culture. Business is not conducted during religious holidays that are observed throughout the many regions and states of India. Verify holiday information with the Consulate or Embassy before scheduling a visit. Indian executives prefer late morning or afternoon appointments between 11:00 a.m. and 5:00 p.m.

The climate in India can be hot for most of the year; it is advisable to wear lightweight clothing to avoid discomfort. Men should wear a jacket and tie (and women should wear corresponding attire) when making official calls or attending formal occasions. Always present a business card when introducing yourself. Refer to business contacts by their surname, rather than by their given name. Use courtesy titles such as "Mr.", "Mrs.", or "Ms." Talking about your family and friends is an important part of establishing a relationship with those involved in the business process. Hospitality is a key part of doing business in India; most business discussions will not begin until "chai" (tea), coffee, or a soft drink is served and there has been some preliminary "small talk." To refuse any beverage outright will likely be perceived as an insult. While an exchange of gifts is not necessary, most businessmen appreciate token mementos, particularly if they reflect the subject under discussion. Business lunches are preferred to dinners. Try to avoid business breakfasts, especially in Mumbai. The best time of year to visit India is between October and March, so that the seasons of extreme heat and rains can be avoided. Although Delhi (the capital) has a cool, pleasant winter (November - February), summers (April –July) are fierce with temperatures of up to 120 degrees Fahrenheit. Mumbai (the business hub) and most other major cities have a subtropical climate – hot and humid year around. Most Indian cities have good hotels and are well connected by domestic airlines.

I. Import Duties

High tariffs on the majority of food items along with effective bans on certain products continue to hinder the growth of food imports from the United States (see Section F. Trade Policy). Import tariffs on consumer food products range from zero to 150 percent, but most products face tariffs in the range of 30 to 40 percent. India's tariff structure is such that there is considerable flexibility to raise or lower tariffs. Consequently, tariffs are subject to review and change, especially at the start of the Indian fiscal year on April 1. The computation of the effective import tariff is often complex and can involve an array of additional duties including a Countervailing Duty, an Education Cess (a special surcharge on all direct and indirect taxes of three percent introduced in the February 2007 budget), a Special Countervailing Duty (SCVD) and a one percent Customs fee which can increase the effective or actual tariff by an additional 5-10 percentage points. Given the complexity of India's tariff structure, U.S. exporters should discuss tariff levels and additional charges that will affect the landed cost of their products with prospective importers and ensure all the details are in line with the specific HS code.

J. Food Laws

On August 5, 2011, the Food Safety and Standards Authority of India (FSSAI) formally implemented its Food Safety and Standards Rules, 2011 as published in the Indian Official Gazette Notification No. G.S.R. 362 (E). The Food Safety and Standards Rules, 2011 contain the provisions for establishing enforcement mechanisms, sampling techniques, and other legal aspects instituted under Section 91 of the Food Safety and Standards Act 2006. The full text of the final Food Safety and Standard Rules, 2011 can be accessed on the FSSAI website: Food Safety and Standard Rules, 2011. The objective of the FSSAI is to consolidate various food laws and establish a single regulatory agency in place of the current multiple regulatory agencies (See: http://www.fssai.gov.in/). The standards are essentially a consolidation of previous food laws that were administered by a number of government agencies. Key requirements for food exporters include maximum retail pricing, vegetarian (green dot) or non-vegetarian (red dot), requirements for dates of production, import and expiration along with a requirement that all imported products must have at 60 percent of their shelf life remaining at the time of import. Exporters should work closely with their importers to ensure that their products comply with local ingredient and labeling regulations.

On November 1, 2012, the Ministry of Consumer Affairs, Food Public Distribution, formally implemented rules requiring that food products must be sold in standard sized packages under the Legal Metrology Act 2011. The rule stipulates standard package weights such as (but not limited to) 100 grams or 250 grams. Non-standard weights (i.e. 413 grams) are no longer allowed as of November 1, 2012. Importers have already stopped importing certain food products and exporters should work closely with their importers to determine if their product weights comply with the rule. The products may clear the import process, but inspections on this particular regulation are done at the retail level and non-conforming products could be removed from shelves. See IN2150, IN2069, IN3094, IN3134 for more information as well as the India 2014 Food and Agricultural Import Regulations and Standards (FAIRS) - Narrative report (available from the "Exporter Assistance" category of the FAS GAIN website).

SECTION III: MARKET SECTORS: STRUCTURE AND TRENDS

A. Food Retail

Food retailing in India is typically described as being part of the “unorganized” sector, which means that it is dominated by millions of small shops that rely on traditional wholesaling and distribution methods. These are small neighborhood stores that often provide free delivery and credit to regular customers. The “organized” or modern food retail sector in India has begun to emerge over the past five years. The number of “modern” retail outlets has increased from an estimated 200 outlets in 2005 to over 3,200 outlets in 2013, but there was a slight decline in the number of stores in 2013.

For more information see the IN4120 – Retail Foods Annual 2014 from the GAIN website and for additional information, review the report IN4048 – ‘Retail Foods Sector Update’. The modern retail sector, which includes a mix of supermarkets, hypermarkets, specialty and gourmet stores, and convenience stores, is dominated by large Indian companies. Several foreign retailers have established operations in India, but have been limited to wholesale operations known “cash and carry” stores because of India’s foreign direct investment laws.

Supermarkets are typically 3,000 to 6,000 square feet as high real estate costs continue to present a challenge to retailers seeking store locations. Some are located in or near shopping malls. These are self-service stores stocked with a wide range of Indian and, more recently, imported groceries, snacks, processed food, confectionary, personal hygiene and cosmetic products. Imported items in the supermarkets consist mainly of almonds and other dry fruits, fresh fruit, fruit juices, ketchup, chocolates, sauces, specialty cheese, potato chips, canned fruits/vegetables, cookies, and cake mixes. They stock most national brands, regional and specialty brands, and sometimes their own brand of packaged dry products, and some international brands. Many have a small bakery/confectionary section, and some have fresh produce, meat and dairy products. A few sell small quantities of frozen foods. A typical supermarket carries about 6,000 stock-keeping units (SKUs).

A few retailers are establishing large hypermarkets with an area of 25,000 to 100,000 square feet in an effort to take advantage of scale and create a unique one-stop shopping experience in India that differentiates them from smaller supermarkets and traditional small retailers. These stores are catering to consumers who seek wider selection and have the means to have storage space (including refrigerators) and their own transportation.

Until modern food retail began to develop a few years ago, smaller “Mom and Pop” stores were the primary purveyors of imported foods. There are thousands of these stores around India and some are the only source of imported foods in their cities. These small stores continue to be an important sales platform for imported foods.

B. Food Service

According to a report by Technopak, the estimated size of India’s hospitality industry is around $48 billion, of which the “organized” or modern sector contributes about 30 percent. The sector is forecast to grow to $78 billion by 2018. India has strong domestic hotel chains, including Indian Hotels Ltd. (Taj Group), East India Hotels Company Ltd. (Oberoi Group), ITC Ltd. (Welcome Group), Asian Hotel and Leela Venture. Several international chains such as Starwood Group, Radisson, Four Seasons, Best Western, Hilton, Marriott, Country Inn and Suites by Carlson, and Quality Inn have also established a presence through franchising.

The premium segment (including 5-star deluxe and 5-star hotels) dominates the hotel business in India and accounts for roughly 65 percent of total revenues in the industry. Hotels in this segment are concentrated in major metropolitan cities such as New Delhi, Mumbai, Chennai, Bengaluru, Pune, Hyderabad, and Kolkata, and are now spreading to middle-tier cities and along major tourist circuits. Most of the 5-star business is generated from business travelers, and most of those are international. The mid-market segment (comprised of 3 and 4 star hotels) caters to a mix of business and leisure travelers and is concentrated in second-tier cities and in major tourist locations. The budget segment (2 star ratings or below) is present in most towns and cities and places of tourist interest and does not present an opportunity for food exporters.

Premium and mid-market hotels source most of their food needs from local distributors who present the best opportunity for accessing the hotel sector. Hotels typically contract with local distributors on centralized annual supply contracts. Some hotels import directly through consolidators in Europe, the Middle East or Asia. Hotels have the option of obtaining products duty-free against their foreign exchange earnings and typically do so via distributors who have bonded warehouses that can supply duty-free goods. When sourcing imported goods from local distributors, hotels tend to focus on branded specialty products that are not available in the local market.

After a slow start, the fast-food and casual dining industries have shown impressive growth in recent years. Chains and franchises, both international and local, are doing well in major urban areas and are spreading into smaller cities. To gain favor with Indian diners fast food restaurants have developed a range of “Indianized” products to suit the local palate. Some outlets serve exclusively vegetarian food, catering to the country’s large vegetarian population.

Although fast food chains source most of their raw materials locally, some ingredients that are not available in India are imported. In the past few years, the “coffee shop” culture has spread throughout major cities and seems poised for further growth. While coffee import tariffs are high, suppliers of specialty ingredients and syrups may find opportunities in this sector.

For a detailed report on hotel, restaurant and institutional food service sector please refer IN4118 – ‘Food Service – Hotel, Restaurant, Institutional Annual for 2014’.

C. Food Processing

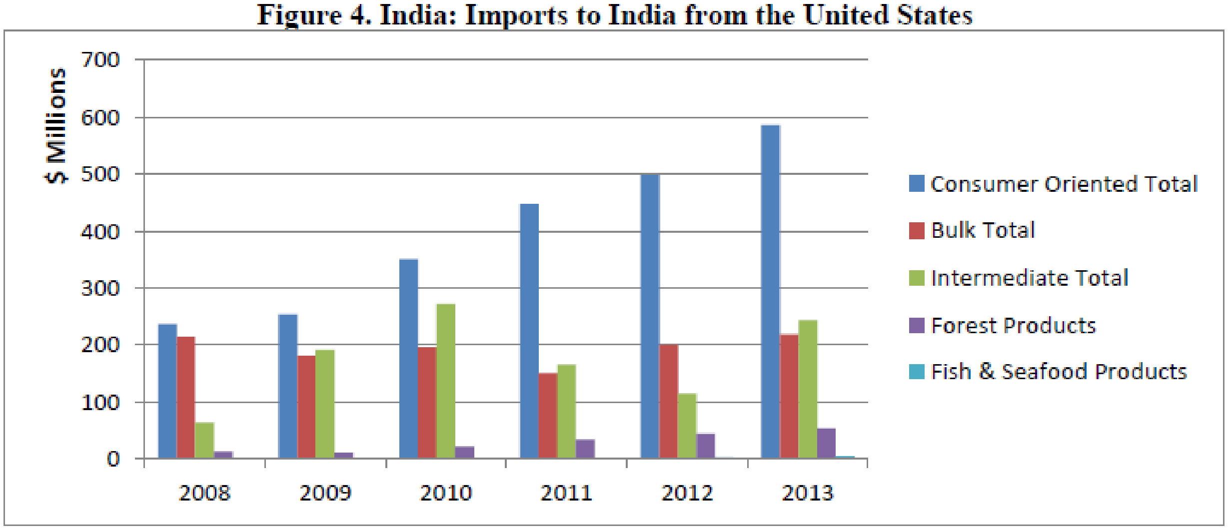
According to the 2013-14 Annual Report provided by Ministry of Food Processing, the food processing sector accounts for about 12 percent of agriculture GDP and is valued at $14 billion in 2012. As foreign multinational corporations have entered Indian, the food processing industry (FPI) has attracted $6 billion in foreign direct investment (FDI) since April 2000 accounting for two percent of total FDI inflows. However, the share of FDI inflow in FPI was slightly higher at 2.6 percent for FY 2013. A large segment of the Indian FPI still operates in the “unorganized” sector, which consists of small enterprises often operating outside of India’s legal, tax, and regulatory systems. These enterprises are pervasive in agricultural processing and marketing as well as other sectors of the economy.

The almost year-round availability of fresh products across the country, combined with consumers' preference for fresh products and freshly cooked foods, has tempered the demand for processed food products in the past. However, with changing lifestyle and consumption patterns cited in this report, the demand for convenient and hygienic foods is on the rise. Industry sources estimate that over 300 million consumers consume some type of processed food regularly.

Food processors are introducing new products and traditional recipes using improved technology, innovative packaging, and aggressive marketing. For ingredients that are not available in India, processors turn to imports and typically source through importers specializing in food ingredients. Food ingredients sourced by Indian food processing companies from the U.S. include dried fruits and nuts, essential oils, protein isolates, starch, vegetable saps, thickeners, lactose, sugar and sugar syrups, mixed seasonings, sauces and preparations, yeast, baking powders, sweeteners and other preparations for beverages, vinegar, oleoresins, and gelatin and gelatin derivatives.

Domestic food laws restrict the use of a number of ingredients, flavors, colors, and additives. Exporters should work with potential importers to ensure that their ingredients have market access. For details about India's Food Processing Industry, please see IN4119 – 'Food Processing Ingredients Annual for 2014'.

Figure 4. India: Imports to India from the United States



Source: FAS Global Trade Database

SECTION IV. BEST PRODUCT PROSPECTS:

Category 1: Products Present in the Market that Have Good Sales Potential

Description	Total Imports CY 2013 - Value ($ millions)	Total Imports CY 2013 - Quantity (metric tons)	5–yr. Import growth by value (in %)	Base tariff	Key Constraints Over Market Development	Market Attractiveness for US
Almonds	541	103,997	20	Rs. 35/ kg (in-Shelled)	Competition from Afghanistan and Australia	High seasonal demand, health consciousness
Pistachios	45	6841	8	10%	Competition from Iran and Afghanistan	High seasonal demand, health consciousness
Grapes Fresh	16	16305	16	30%	Competition from domestic and foreign suppliers	Seasonal shortages and high prices, diverse fruits among India's middle income population and growing retail industry
Apples Fresh	218	194,335	27	50%	Competition from domestic and other foreign suppliers	Seasonal shortages and high prices, diverse fruits among India's middle income population and growing retail industry
Pears And Quinces, Fresh	5	5,197	-8	30%	Competition from other foreign suppliers like China and South Africa	Seasonal shortages and high prices, diverse fruits among India's middle income population and growing retail industry

Sugars and sugar Confectionery	661	1,315,052	55	up to 100%	Competition from domestic and other foreign suppliers	Consumer preference for imported products/ brands
Cocoa and Cocoa Preparations	154	44,471	21	up to 30%	Competition from domestic and other foreign suppliers	Consumer preference for imported products and brands
Fruit Juices	36	21,614 Liters	18	up to 30%	Competition from domestic brands and neighboring countries	Increasing health awareness and shortage of domestic products
Sauces, Preparations Mixes, Condiments, and Seasonings	12	5,438	-1	30%	Competition from domestic brands	Consumer preference for imported products and brands and growing fast food culture
Beverages, Spirits, and Vinegar	393	193,869,370 Liters	13	up to 150%	High import duty, complex state laws, and competition from other suppliers	Increasing consumption and growing middle income population

SECTION V. POST CONTACT AND FURTHER INFORMATION

The following reports may be of interest to U.S. exporters interested in India. These, and related reports, can be accessed via the FAS Home Page: www.fas.usda.gov by clicking on "Data & Analysis" and then selecting GAIN reports and choosing the "search reports" function to refine the desired criteria (e.g., category and date range).

Report Number	Subject
IN4118	Food Service- HRI 2014
IN4119	Food Processing Ingredients 2014
IN4120	Retail Foods 2014
TBD	Food and Agricultural Import Regulations and Standards – Narrative
IN4048	Retail foods Sector Update 2014
IN4104	Mumbai Food and Beverage Hospitality Snapshot
IN4079	Rise of Online Grocery Retail
IN4045	Update on India's Quick Service Restaurant Sector
IN4095	Wine Production and Trade Update 2014
IN4080	Livestock and Products Annual 2014
IN4059	Agricultural Biotechnology Annual 2014
IN4089	Dairy and Products Annual 2014
IN4085	Agricultural and Agribusiness Consultants 2014

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APPENDIX A – STATISTICS

TABLE A: Key Trade and Demographic Information

Agricultural imports from all countries (USD billion)[1] / U.S. market share	19.4/ 5.42%
Consumer Food Imports from all countries (USD billion)[2] / U.S. market share	3.2/ 18%
Edible fishery imports from all countries[3] (USD million) / U.S. market share	48/ 12%
Total Population[4]	1.25 billion
Urban population[5] (millions)	400million
Number of major metropolitan areas[6] (with a population of a million or more)	53
Population Density[7] (People per square kilometer)	382
Proportion of population below 6 years[8]/ percentage	150 million/13%
Proportion of population above 7 years[9]	1.05 billion
Per capita Gross Domestic Product in CY 12 (USD)[10]	1,501
Unemployment Rate 2011/12[11] (%)	3.8
Female population employed[12] (%)	23.6
Exchange Rate Rs. Per USD (as of November 10, 2014)	61.48

Source: [1, 2, 3] USDA/FAS Global Trade Database; [4, 5,6,7,8, 9, 11] Census of India 2011
[10:] International Monetary Fund; [11, 12:] Ministry of Labor and Employment Government of India

TABLE B: Consumer Food and Edible Fishery Product Imports for Calendar Years 2012 & 2013 ($1,000)

Commodity	Description	Imports from the world		Imports from the U.S.		U.S. Market Share (%)	
		2012	2013	2012	2013	2012	2013
Consumer Oriented Agric. Total		**3,019,375**	**3,227,562**	**498,365**	**586,306**	17	18
080131	Cashew Nuts, Fresh Or Dried, In Shell	907,049	807,575	-	-	0	0
080211	Almonds, Fresh Or Dried, In Shell	347,700	498,735	287,872	391,348	83	78
080810	Apples, Fresh	196,779	218,689	84,841	70,786	43	32
080410	Dates, Fresh Or Dried	169,652	181,289	400	-	0	0
080290	Nuts Nesoi, Fresh Or Dried, Shelled Or Not	70,858	136,304	7	-	0	0
090411	Pepper Of Genus Piper, Neither Crushed Nor Ground	105,469	94,710	146	86	0	0
220290	Nonalcoholic Beverages, Nesoi	58,406	87,208	650	1,113	1	1
350790	Enzymes And Prepared Enzymes, Nesoi	66,218	71,951	2,818	6,462	4	9
210690	Food Preparations Nesoi	74,218	70,270	16,910	19,030	23	27
080420	Figs, Fresh Or Dried	44,466	64,175	-	-	0	0
090710	Cloves, Neither Crushed Nor Ground	-	60,072	-	-	-	0
170211	Lactose & Lactose Syrup Cont 99% More Lactse By Wt	40,149	43,960	8,060	8,325	20	19
080212	Almonds, Fresh Or Dried, Shelled	48,412	42,335	18,226	8,677	38	20
350510	Dextrins And Other Modified	32,539	38,016	6,876	8,648	21	23

	Starches						
090700	Cloves (Whole Fruit, Cloves And Stems)	91,921	35,455	464	-	1	0
180690	Cocoa Preparations, Not In Bulk Form, Nesoi	48,448	35,047	621	485	1	1
090831	Cardamoms, Neither Crushed Nor Ground	-	35,017	-	-	-	0
080620	Grapes, Dried (Including Raisins)	20,939	31,900	810	358	4	1
080250	Pistachios, Fresh Or Dried, Shelled Or Not	61,567	26,297	16,353	3,015	27	11
090619	Cinnamon-Tree Flowers, Neither Crushed Nor Ground	16,165	24,764	-	-	0	0
180631	Chocolate & Othr Cocoa Preps, Not Bulk, Filled	2,620	23,602	-	31	0	0
080132	Cashew Nuts, Fresh Or Dried, Shelled	13,043	22,844	-	3	0	0
080251	Pistachios, In Shell, Fresh Or Dried	-	22,697	-	9,742	-	43
080252	Pistachios, Shelled, Fresh Or Dried	-	22,054	-	1,643	-	7
040410	Whey & Modfd Whey Whet/Nt Cncntrtd Cntg Add Sweetn	17,023	19,599	2,549	5,303	15	27
080510	Oranges, Fresh	21,143	18,874	3,811	948	18	5
091011	Ginger, Neither Crushed Nor Ground	-	15,749	-	10	-	0
230910	Dog And Cat Food, Put Up For Retail Sale	14,240	15,371	165	241	1	2
170490	Sugar Confection (Incl Wh Choc), No Cocoa, Nesoi	16,846	13,786	625	941	4	7
081310	Apricots, Dried	15,886	13,507	34	1	0	0
080280	Areca Nuts, Fresh Or Dried	-	12,453	-	-	-	0
180620	Chocolate Prep Nesoi, In Blocks Etc. Over 2 Kg	16,974	11,899	151	193	1	2
090961	Anise Badian Etc Juniper Berries Nt Crushed/Ground	-	11,791	-	-	-	0
170219	Lactose In Solid Form And Lactose Syrup, Nesoi	10,537	11,390	3,995	4,059	38	36
190590	Bread, Pastry, Cakes, Etc Nesoi & Puddings	8,234	10,798	531	469	6	4
220429	Wine, Fr Grape Nesoi & Gr Must With Alc, Nesoi	11,013	10,053	850	1,087	8	11
080610	Grapes, Fresh	9,153	9,493	5,045	5,631	55	59
080830	Pears, Fresh	-	9,492	-	2,444	-	26
081050	Kiwi Fruit (Chinese Gooseberries) Fresh	9,133	9,240	-	-	0	0
091030	Tumeric (Curcuma)	3,646	9,186	133	-	4	0
210210	Yeasts, Active	9,015	8,933	493	587	5	7
200979	Apple Juice, Nesoi,Nt Fortified W Vitamins, Unferm	11,719	8,736	1	1	0	0
210390	Sauces Etc. Mixed Condiments And Seasonings Nesoi	9,199	8,680	1,642	1,599	18	18
220410	Sparkling Wine Of Fresh Grapes	7,378	8,580	12	44	0	1
200290	Tomato Paste Etc, Not Prepared	7,157	8,070	343	1,737	5	22

	With Vinegar Etc.						
200990	Mixtures Of Fruit And/Or Vegetable Juices	8,551	7,911	6,810	5,940	80	75
200911	Orange Juice, Frozen, Sweetened Or Not	8,452	7,640	962	942	11	12
090921	Coriander Seeds, Neither Crushed Nor Ground	-	7,179	-	414	-	6
060290	Live Plants, Cuttings & Slips,Nesoi;Mushroom Spawn	6,609	7,145	108	451	2	6
090811	Nutmeg, Neither Crushed Nor Ground	-	7,007	-	2	-	0
091020	Saffron	6,245	6,984	109	-	2	0
350220	Milk Albumin,Inc Concen Of 2 Or More Whey Proteins	4,703	6,686	4,381	5,112	93	76
190219	Pasta, Uncooked, Not Stuffed Etc., Nesoi	8,155	6,455	-	0	0	0
220421	Wine, Fr Grape Nesoi & Gr Must W Alc, Nov 2 Liters	6,491	6,089	444	274	7	5
200410	Potatoes, Prepared Etc., No Vinegar Etc., Frozen	7,323	5,990	4,860	2,609	66	44
090830	Cardamoms	39,442	5,968	-	-	0	0
090910	Seeds Of Anise Or Badian	9,432	5,917	-	-	0	0
090821	Mace, Neither Crushed Nor Ground	-	5,491	-	-	-	0
220210	Waters, Incl Mineral & Aerated, Sweetnd Or Flavord	7,369	5,409	26	181	0	3
070310	Onions And Shallots, Fresh Or Chilled	55	5,300	-	-	0	0
200819	Nuts (Exc Peanuts) And Seeds, Prepared Etc. Nesoi	2,279	5,277	368	415	16	8
210111	Coffee Extracts, Essences Etc. & Prep Therefrom	3,708	5,209	184	501	5	10
190532	Waffles And Wafers	4,090	4,992	178	107	4	2
091010	Ginger	17,207	4,970	1	-	0	0
180632	Chocolate & Othr Cocoa Preps, Not Bulk, Not Filled	2,403	4,946	-	-	0	0
081090	Fruit Nesoi, Fresh	4,366	4,926	3	4	0	0
071290	Vegetables Nesoi & Mixtures, Dried, No Furth Prep	4,891	4,655	152	124	3	3
200989	Juice Of Single Fruit/Veg, Not Fortified Etc Nesoi	-	4,639	-	22	-	0
080820	Pears And Quinces, Fresh	14,906	4,566	3,823	1,582	26	35
060313	Fresh Cut Orchids And Buds	1,545	4,398	9	3	1	0
090940	Seeds Of Caraway	6,060	4,140	-	-	0	0
040690	Cheese, Nesoi, Including Cheddar And Colby	3,255	4,114	93	9	3	0
220300	Beer Made From Malt	4,485	3,939	7	0	0	0
190531	Cookies (Sweet Biscuits)	3,276	3,555	64	5	2	0
220900	Vinegar & Substitutes For Vinegar From Acetic Acid	2,693	3,244	206	140	8	4
040630	Cheese, Processed, Not Grated Or Powdered	2,529	3,099	58	56	2	2
200799	Jams, Fruit Jellies, Pastes Etc	3,707	3,003	151	274	4	9

	Nesoi, Nut Pastes						
152110	Vegetable Waxes (Other Than Triglycerides)	3,067	2,997	60	34	2	1
090611	Cinnamon, Neither Crushed Nor Ground	3,031	2,981	2	1	0	0
190110	Food Preparations For Infants, Retail Sale Nesoi	2,620	2,942	3	1	0	0
200899	Fruit & Edible Plant Parts Nesoi, Prep Etc. Nesoi	3,414	2,778	161	325	5	12
210500	Ice Cream And Other Edible Ice, With Cocoa Or Not	1,448	2,766	-	1	0	0
190120	Mixes & Doughs For Prep Of Bakers Wares Hdg 1905	2,814	2,682	132	233	5	9
190230	Pasta, Prepared Nesoi	2,457	2,596	47	12	2	0
200490	Vegetables Nesoi, Prep Etc., No Vinegar Etc, Frozn	1,466	2,527	662	1,122	45	44
190540	Rusks, Toasted Bread And Similar Toasted Products	2,682	2,410	25	12	1	1
060110	Bulbs, Tubers, Corms, Crowns & Rhizoms Etc Dormant	2,631	2,373	-	-	0	0
210320	Tomato Ketchup And Other Tomato Sauces	2,010	2,200	555	1,442	28	66
060120	Bulbs, Etc In Growth Or Flower; Chicory	1,686	2,159	10	3	1	0
040210	Mlk & Crm,Cntd,Swt,Powdr,Gran/Solids ,Nov 1.5% Fat	52,779	2,153	0	-	0	0
090820	Mace	8,753	2,132	-	-	0	0
350290	Albumin & Albumin Derivatives, Nesoi	3,570	2,116	1,368	1,149	38	54
080940	Plums, Prune Plums And Sloes, Fresh	2,042	2,067	492	499	24	24
200860	Cherries, Prepared Or Preserved, Nesoi	2,091	1,992	6	11	0	1
190190	Malt Extract; Flour, Meal, Milk Etc Prod Etc Nesoi	2,580	1,973	117	140	5	7
091099	Spices, Nesoi	2,379	1,921	35	157	1	8
040590	Fats And Oils Derived From Milk, N.E.S.O.I.	25,960	1,893	11	-	0	0
200969	Grape Juice, Nesoi,Nt Fortified With Vitamins/Min	2,377	1,864	0	-	0	0
200880	Strawberries, Prepared Or Preserved Nesoi	1,593	1,813	42	21	3	1
110630	Flour, Meal & Powder Of The Products Of Chapter 8	1,413	1,689	5	51	0	3
090931	Cumin Seeds, Neither Crushed Nor Ground	-	1,603	-	-	-	0
040229	Mlk & Crm,Cntd,Swtnd,Powdr/Solids, Over 1.5% Fat	463	1,584	-	2	0	0
090822	Mace, Crushed Or Ground	-	1,410	-	1	-	0
200570	Olives Prep/Pres Ex Vinegar/Acetic Acid Not Frozen	1,479	1,351	20	1	1	0

090920	Seeds Of Coriander	6,567	1,253	356	205	5	16
190410	Prep Food, Swelling/Roasting Cereal/Cereal Product	1,970	1,220	129	378	7	31
090121	Coffee, Roasted, Not Decaffeinated	826	1,192	52	382	6	32
200811	Peanuts, Prepared Or Preserved, Nesoi	92	1,154	1	749	1	65
200939	Juice Of Other Single Cirtus Fruit,Nt Frot,Nesoi	520	1,117	-	4	0	0
160100	Sausages, Similar Prdt Meat Etc Food Prep Of These	1,600	1,110	-	-	0	0
081330	Apples, Dried	795	1,109	-	6	0	1
200949	Pineapple Juice, Nt Fort., Unfermnt, Nesoi	1,917	1,109	-	-	0	0
200820	Pineapples, Prepared Or Preserved Nesoi	1,218	1,099	-	1	0	0
090422	Capsicum/Peppers, Pimenta/Allspice, Crushed/Ground	-	1,005	-	25	-	2
210120	Tea Or Mate Extracts/Essences/Concentrates & Preps	1,001	988	147	179	15	18
	Other Consumer Oriented Foods	56,925	44,742	5,495	4,942	10	11
Fish & Seafood Products		**68,559**	**47,821**	**3,359**	**5,586**	**5**	**12**
030499	Fish Meat, Frozen, Except Steaks And Fillets Nesoi	8,776	11,963	593	664	7	6
030269	Fish, Nesoi, With Bones, Fresh Or Chilled	36,692	11,118	95	-	0	0
030289	Fish, Fresh Or Chilled, Nesoi	-	5,604	-	-	-	0
030616	Cold-Water Shrimps And Prawns, Frozen	-	3,802	-	3,497	-	92
030613	Shrimps And Prawns, Including In Shell, Frozen	5,526	2,467	1,507	1,307	27	53
030389	Fish, Frozen, Nesoi	-	1,739	-	-	-	0
030559	Fish, Dried, Whether Salted But Not Smoked Nesoi	1,203	1,736	-	-	0	0
030462	Catfish Fillets, Frozen	-	1,355	-	-	-	0
030749	Cuttle Fish & Squid, Froz, Dri, Salted Or In Brine	1,067	1,101	352	102	33	9
030617	Shrimps And Prawns, Frozen, Nesoi	-	1,002	-	-	-	0
030279	Nile Perch And Snakeheads, Fresh Or Chilled	-	950	-	-	-	0
030741	Cuttle Fish & Squid,	6,137	830	-	-	0	0

	Live, Fresh Or Chilled						
030349	Tunas Nesoi, With Bones, Frozen	17	356	1	-	5	0
030214	Atlantic Salmon And Danube Salmon Fresh Or Chilled	-	298	-	-	-	0
030379	Fish, Nesoi, With Bones, Frozen	2,291	297	-	-	0	0
030384	Seabass, Frozen	-	281	-	-	-	0
030615	Norway Lobsters, Frozen	-	246	-	-	-	0
030612	Lobsters, Including In Shell, Frozen	32	232	-	-	0	0
030729	Scallops Incl Queen, Frozen/Dried/Salted/ In Brine	164	224	3	-	2	0
160590	Molluscs, Etc., Prepared Or Preserved	125	221	-	-	0	0
030313	Atlantic Salmon And Danube Salmon, Frozen	-	204	-	-	-	0
030549	Fish Including Fillets, Smoked, Nesoi	220	202	-	-	0	0
160569	Aquatic Invertebrates, Prepared Or Preserved Nesoi	-	191	-	-	-	0
030479	Fish Fillet Fam Bregmaceroditae, Etc. Frozen Nesoi	-	141	-	-	-	0
030469	Carp, Eel And Snakehead Fillets, Frozen	-	125	-	-	-	0
030459	Fish Meat Fresh/Chilled Exc Fillets & Steaks Nesoi	-	120	-	-	-	0
160414	Tunas/Skipjack/Bonito Prep/Pres Not Minced	155	118	0	8	0	7
030322	Atlantic And Danube Salmon, With Bones, Frozen	352	90	1	-	0	0
160510	Crab, Prepared Or Preserved	325	86	-	2	0	3
	Other Fish & Seafood Products	5,479	723	806	6	15	1
Agricultural Products Total		**20,382,974**	**19,351,896**	**814,406**	**1,048,814**	**4**	**5**
Agricultural, Fish and Forestry Products		**23,083,173**	**22,144,498**	**862,524**	**1,108,216**	**4**	**5**

* Cashew Nuts, Fresh Or Dried, In Shell are primarily for re-export.
Source: USDA/FAS Global Trade Database

TABLE C (I): Top 15 Suppliers of Consumer Foods*

Partner Country	Dollars (USD)			Percentage Share		
	2011	2012	2013	2011	2012	2013
World	3,125,806,728	3,019,375,990	3,227,562,387	100.00	100.00	100.00
United States	448,201,867	498,365,310	586,306,220	14.34	16.51	18.17
Cote d Ivoire	219,804,394	233,659,339	197,405,756	7.03	7.74	6.12
Tanzania	121,707,916	183,286,409	183,282,887	3.89	6.07	5.68
China	200,266,905	143,450,130	164,892,227	6.41	4.75	5.11
Afghanistan	84,646,293	101,577,280	152,675,038	2.71	3.36	4.73
Nepal	84,897,877	104,846,625	139,507,670	2.72	3.47	4.32
Guinea-Bissau	211,534,751	123,649,292	131,936,321	6.77	4.10	4.09
Sri Lanka	73,997,557	71,033,174	125,350,610	2.37	2.35	3.88
Australia	79,124,052	63,947,967	112,875,160	2.53	2.12	3.50
Bangladesh	51,147,695	72,127,569	105,261,138	1.64	2.39	3.26
Pakistan	78,911,022	94,221,315	102,701,342	2.52	3.12	3.18
Benin	172,080,055	160,299,297	100,252,031	5.51	5.31	3.11
Vietnam	62,264,339	70,143,989	88,476,082	1.99	2.32	2.74
Ghana	170,125,445	81,674,769	88,377,684	5.44	2.71	2.74
Iran	56,912,188	61,985,631	85,399,255	1.82	2.05	2.65

Source: USDA/FAS Global Trade Database

*Imports from African countries are mainly cashews for processing and re-export from India.

TABLE C (II): Top 15 Suppliers of Fish & Seafood Products

Partner Country	Dollars (USD)			Percentage Share		
	2011	2012	2013	2011	2012	2013
World	113,523,885	70,727,000	47,821,995	100.00	100.00	100.00
Bangladesh	87,213,585	38,549,349	18,525,001	76.82	54.50	38.74
Vietnam	8,611,030	11,637,872	11,800,906	7.59	16.45	24.68
United States	1,988,742	3,358,747	5,586,487	1.75	4.75	11.68
Myanmar	-	460,678	1,254,116	0.00	0.65	2.62
Singapore	1,146,710	886,141	986,596	1.01	1.25	2.06
Japan	864,845	1,176,743	939,440	0.76	1.66	1.96
Thailand	731,588	993,120	927,291	0.64	1.40	1.94
Unidentified Country	1,104,110	1,218,005	891,277	0.97	1.72	1.86
United Kingdom	1,122,814	1,822,825	833,924	0.99	2.58	1.74
Indonesia	460,899	271,651	633,352	0.41	0.38	1.32
Poland	-	94,928	592,520	0.00	0.13	1.24
Denmark	85,861	470,506	552,598	0.08	0.67	1.16
United Arab Emirates	362,324	267,848	489,236	0.32	0.38	1.02
Pakistan	1,171,476	1,338,193	439,840	1.03	1.89	0.92
Spain	1,417,375	473,945	390,558	1.25	0.67	0.82

Source: USDA/FAS Global Trade Database

APPENDIX B: MAJOR FOOD AND AGRICULTURAL TRADE SHOWS IN

JANUARY 2015

Food & Grocery Forum India 2015
January 14 - 16, Bombay Exhibition Centre, Mumbai
www.foodforumindia.com
Organized by Images Multimedia Pvt. Ltd, Food & Grocery Forum India combines India's leading food conference with a concurrent trade show. USDA participated in the 2014 show.

Food Hospitality World 2015
Dates and Venue to be Confirmed, Mumbai
www.fhwexpo.com
Organized by Global Fairs & Media Pvt Ltd., the show caters to the food, beverage and hospitality industry. USDA participated in the 2014 show.

MARCH 2015

AAHAR International Food Fair 2015
March 12 – 16, 2015, Pragati Maidan, New Delhi
www.aaharinternationalfair.com
Organized by the government-run Indian Trade Promotion Organization, AAHAR caters to the processed food and hospitality sector including machinery & technology. This is India's oldest food show.

SEPTEMBER 2015

Annapoorna, World of Food India
September 14-16, 2015, Bombay Exhibition Center, Mumbai
www.worldoffoodindia.com
A joint-venture of Koelnmesse and the Federation of Indian Chamber of Commerce and Industry (FICCI), Annapoorna - World of Food India is an international exhibition on food & beverage products in India. This is a USDA endorsed show.

APPENDIX C: U.S. BASED STATE REGIONAL TRADE GROUPS / COOPERATORS / STATE OFFICE REPS DEALING IN FOOD OR AGRICULTURE IN INDIA

Almond Board of California
Website: www.almondboard.com
Local Representative Office Address:
India Program Manager
Almond Board of California
M-16, Greater Kailash II
New Delhi 100 048
Tel: 011 2922 4491
Mobile: +91-9810955533
E-mail: sudarshan.mazumdar@gmail.com

American Pistachio Growers
Website: http://americanpistachios.org/
Local Representative Office Address:
i2i Consulting
Head Office: 10, Sunder Nagar
New Delhi – 110 003
Phone: 91-11-46590340/41004670
Email: devna@i2iconsulting.biz
Homepage: www.i2iconsulting.biz

California Table Grape Commission
Website: www.tablegrape.com
Local Representative Office Address:
The SCS Group
651, Pace City II, Sector 37
Gurgaon, Haryana 122 004
Ph: +91-124-434 4500
Fax: +91-124-434 4501
E-Mail: ctgc@scs-group.com
Home page: http://www.scs-group.com

California Walnut Board & Commission
Website: http://www.walnuts.org/walnuts/
Local Representative Office Address:
The SCS Group
651, Pace City II, Sector 37
Gurgaon, Haryana 122 004
Ph: +91-124-434 4500
Fax: +91-124-434 4501
E-Mail: walnuts@scs-group.com
Home page: http://www.scs-group.com

Cotton Council International
Website: www.cottonusa.org
Local Representative Office Address:
Antar Advisors
B/91, Vishal Residency
Ramdev Nagar-Anand Nagar Road
Satellite – Ahmedabad – 380015, Gujarat
Tel: +91-79-4030 0131
Fax: +91-79-4032 7897
Email – antaradvisors@gmail.com / peush_narang@yahoo.com

Distilled Spirits Council of the United States
Website: http://www.discus.org/index.asp
Local Representative Office Address:
Creative Consultants
8 Joel, 3rd Floor
St. Michael's School Marg, Off L J Cross Road No. 1,
Opp. St. Michael Pre-primary School
Mahim, Mumbai 400 016
Ph: +91-22-2445 1033
Fax: +91-22-2445 2750
Mobile: +91 9820220424
E-Mail: shatbhi@gmail.com

Food Export Association of the Midwest USA
Website: www.foodexport.org
Local Representative Office Address:
The SCS Group
651, Pace City II, Sector 37
Gurgaon, Haryana 122 004
Ph: +91-124-434 4500
Fax: +91-124-434 4501
E-Mail: foodexportusa@scs-group.com
Home page: http://www.scs-group.com

Food Export USA-Northeast
Website: www.foodexport.usa.org
Local Representative Office Address:
The SCS Group
651, Pace City II, Sector 37
Gurgaon, Haryana 122 004
Ph: +91-124-434 4500
Fax: +91-124-434 4501
E-Mail: foodexportusa@scs-group.com
Home page: http://www.scs-group.com

Global Cold Chain Alliance
Website: http://www.gcca.org
Local Representative Office Address:
i2i Consulting
Head Office: 10, Sunder Nagar
New Delhi – 110 003
Phone: 91-11-46590340/41004670
Email: atul@i2iconsulting.biz
Homepage: www.i2iconsulting.biz

Pear Bureau Northwest
Website: www.usapears.org
Local Representative Office Address:
The SCS Group
651, Pace City II, Sector 37
Gurgaon, Haryana 122 004
Ph: +91-124-434 4500
Fax: +91-124-434 4501
E-Mail: usapears@scs-group.com
Home page: http://www.scs-group.com

Southern United States Association
Website: www.susta.org
Local Representative Office Address:
Head Office: 10, Sunder Nagar
New Delhi – 110 003
Phone: 91-11-46590340/41004670
Email: devna@i2iconsulting.biz
Homepage: www.i2iconsulting.biz

Sunkist Growers
Website: http://www.sunkist.com/
Local Representative Office Address:
The SCS Group
651, Pace City II, Sector 37
Gurgaon, Haryana 122 004
Ph: +91-124-434 4500
Fax: +91-124-434 4501
E-Mail: ksunderlal@scs-group.com
Home page: http://www.scs-group.com

US Apple Export Council
Website: http://www.usaapples.com/en/index.html
Local Representative Office Address:
The SCS Group,
651, Pace City II, Sector 37

Gurgaon, Haryana 122 004
Ph: +91-124-434 4500
Fax: +91-124-434 4501
E-Mail: usa.apples@scs-group.com
Home page: http://www.scs-group.com

U.S. Dry Pea and Lentil Council
Website: www.pea-lentil.com
Local Representative Office Address:
C-101, Somvihar Apartments
Sangam Marg, R.K. Puram
New Delhi – 110022
Phone: 91-11-26184324
Fax: +91-11-26177340
Email: Shakundalal@hotmail.com
shakundalal@rediffmail.com

U.S. Grains Council
Website: www.grains.org
Local Representative Office Address:
FF 303 G, Sushant Shopping Arcade
Sushant Lok I
Gurgaon - 122 002
Phone: +91-124-404-5892
Fax: +124-239-6209
E-Mail: usgcindia@gmail.com

U.S. Pecan Council
Website: http://www.uspecans.org/
Local Representative Office Address:
i2i Consulting
Head Office : 10, Sunder Nagar
New Delhi – 110 003
Phone: 91-11-46590340/41004670
Email: devna@i2iconsulting.biz
Homepage: www.i2iconsulting.biz

Virginia Department of Agriculture and Consumer Services
Website: http://www.vdacs.virginia.gov/
Local Representative Office Address:
i2i Consulting
Head Office: 10, Sunder Nagar
New Delhi – 110 003
Phone: 91-11-46590340/41004670
Email: devna@i2iconsulting.biz
Homepage: www.i2iconsulting.biz

Washington State Apple Commission
Website: www.bestapples.com
Local Representative Office Address:
The SCS Group
651, Pace City II, Sector 37
Gurgaon, Haryana 122 004
Ph: +91-124-434 4500
Fax: +91-124-434 4501
E-Mail: apples@scs-group.com
Home page: http://www.scs-group.com

APPENDIX D: USEFUL INDIAN AGENCIES OF CENTRAL GOVERNMENT

Department of Animal Husbandry, Dairying and Fisheries (DADF)
Ministry of Agriculture,
Krishi Bhawan
New Delhi.
Website: http://www.dahd.nic.in/
Lead Role: Regulates imports of livestock and livestock products into India.

Ministry of Agriculture and Cooperation (AGRICOOP)
Ministry of Agriculture
Krishi Bhawan
New Delhi.
Website: http://agricoop.nic.in/
Lead Role: Regulates imports of plants and plant products into India.

Plant Quarantine Organization of India (PPQ)
Plant Quarantine Division
Directorate of Plant Protection Quarantine and Storage
Department of Agriculture and Cooperation
Government of India
N.H. IV, Faridabad (Haryana)
Website: http://www.plantquarantineindia.org/index.htm
Lead Role: Inspection and regulation of the imports of plants and plant products.

Food Standards and Safety Authority of India (FSSAI)
FDA Bhawan
Kotla Road, New Delhi
Website: http://www.fssai.gov.in/Default.aspx
Lead Role: Regulates manufacturing, processing, distribution, sale and import of food with the aim of ensuring safe and wholesome food for human consumption.

Department of Health (DOH)
Ministry of Health and Family Welfare

Website: http://www.mohfw.nic.in/pfa.htm#Draft%20Notifications
Lead Role: Regulates standards for various domestic and imported food products.

Ministry of Food Processing Industries, India (MoFPI)
Panchsheel Bhawan, August Kranti Marg
Khelgaon, New Delhi – 110049
Website: http://mofpi.nic.in
Lead Role: Regulates and promotes the food processing sector in India.

APPENDIX E: LIST OF INDIAN TRADE ASSOCIATION

Confederation of Indian Trade and Industry (CII)

Federation of Indian Chambers of Commerce and Industry (FICCI)

Associated Chambers of Commerce and Industry (ASSOCHAM)

Indo-American Chambers of Commerce (IACC)

American Chambers of Commerce and Industry (AMCHAM India)

Retailers Association of India (RAI)

Indian Importers Association (IIA)

All India Food Processors Association (AIFPA)

Indian Dairy Association (IDA)

Council of Leather Exports (CLE)

Compound Livestock Feed Manufacturers Association (CLFMA)

The Solvent Extractors Association of India (SEA)

United States India Business Council (USIBC)

Forum of Indian Food Importers (FIFI)

Federation of Hotels and Restaurants in India (FHRAI)