

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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India

Tree Nuts Annual

2014

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Report Highlights:

Indian almond imports during marketing year (MY) 2014/15 are forecast to decline to 58,000 metric tons (MT) (shelled basis) due to higher market prices and the weak rupee. India imported 63,510 MT of almonds in MY 2013/14, which was eight percent below previous year. Indian walnut production is forecast at 38,000 MT (inshell basis), a 12-percent decrease from the previous year. Walnut imports could increase given lower local production and increasing consumption.

Commodities:

Almonds, Shelled Basis

Production:

India's almond production for MY 2014/15(August/July) is forecast at 1,200 MT (kernel weight basis) due to an uptick in the production cycle. In India almonds are primarily grown in the states of Kashmir and Himachal Pradesh. Annual yields per tree are typically low and range between 1,000 -1,500 nuts. Shelling rates generally vary between 20 and 30 percent for hard-shell varieties, and about 40 percent for thin-shelled varieties.

Consumption:

Consumption estimates for MY 2013/14 are lowered from 75,000 MT to 70,000 MT to due to higher almond prices (up 16 percent over the previous year) and a weak India rupee relative to the dollar. Almond consumption in MY 2014/15 is further forecast to drop and additional ten percent to 63,000 MT because of expected, continued higher prices. Total almond supplies in MY 2014/15 are anticipated to drop 12 percent below current year supplies.

Many Indian consumers choose to eat almonds because they perceive almonds as being a high-energy foodstuff which is well suited for physically active people, children, and recovering patients. As a result, more Indian food companies are increasing their usage of almonds in a broader variety of product categories, to include snack foods, health foods, sweets, bakery products, and confectionaries. Moreover, there is a growing industrial demand for lower quality almonds from the cosmetic and health care industries, which extract almond oil from the kernels for use in their products.

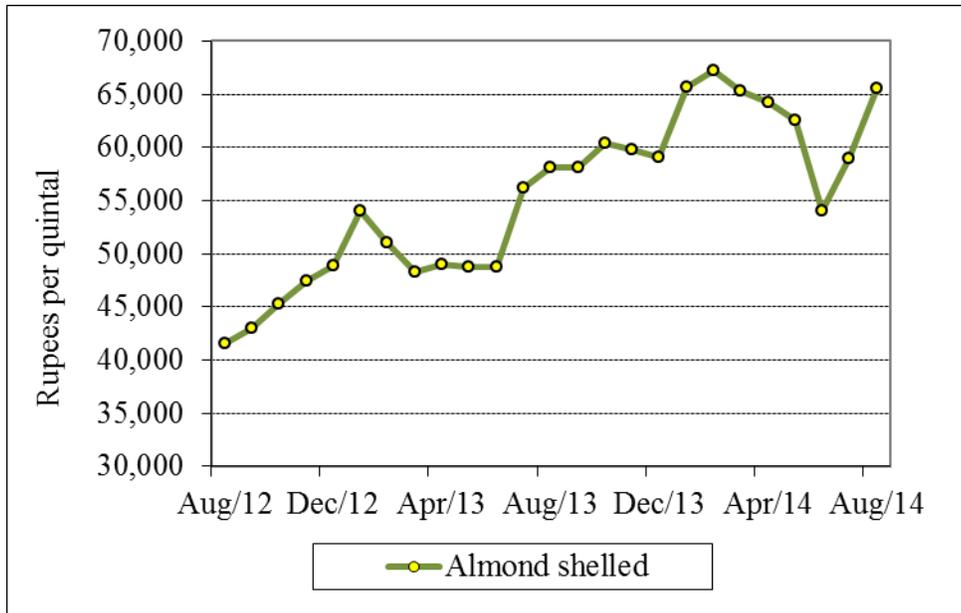
India's growing population and expanding middle class continue to support consumption of dried fruits and nuts. Generally, demand for nuts typically peaks during the annual festive season, which runs from September to January. Besides the traditional non-pareil, Indian consumers are buying almonds from different origins, indicating an openness to trying new varieties.

Historically, Indian consumers have preferred Californian non-pareil almonds based on price, size, the uniform 'eye' shape, and sweetness (Table 4). Australian non-pareil and Carmel varieties also account for a growing segment of the Indian market. Iranian varieties like *Mamra* and *Qumi* are popular in the western and northwestern regions of India (e.g. Rajasthan and Gujarat) and often command a price premium.

Prices

Average almond prices in India increased by 16 percent in MY 2013/14 and are expected to remain strong on anticipated high demand during the festive season, tighter international supplies, and a weakened rupee.

Figure 1. India: Average Wholesale Prices of Almonds (shelled) in Delhi Wholesale Market



Source: Industry and trade sources

Trade:

Almond imports in MY 2014/15 are forecast to decline for a second consecutive year to 58,000 MT due to higher costs and tight international supplies. In MY 2013/14 Indian almond imports reached 63,510 MT (shelled basis), an eight percent decline from MY 2012/13. During the same period, absolute market share of U.S. almonds declined by 10 percent and accounted for 73 percent of India's total volume of trade, while Australia's market share increased by seven percent to achieve 20 percent of total market share (Table 5). Imports from non-traditional suppliers such as Italy, Malaysia, Thailand, South Korea, South Africa, Japan, and Taiwan were negligible for a second consecutive year. Almond imports from the United States and Australia are mostly in-shell, non-pareil or Carmel varieties and are shelled locally. Almonds from other origins are typically already shelled. Most almonds in India are sold by weight in loose form, and only about five percent of retail sales are packaged.

Trade Policy & Marketing Opportunities

While India does not maintain quantitative restrictions for almond imports, U.S. almonds face tariffs of INR35/kg (inshell) and INR 66.95/kg (shelled) (Table 9). In 2006, India's Directorate of Plant Protection, Quarantine and Storage amended Order 2003, requiring that phytosanitary certificates reflect that phosphine fumigation occurred at the country of origin prior to shipment.

India is currently the fourth largest export market for U.S. almonds (behind Spain, China/Hong Kong, and Germany). Market development opportunities remain, particularly among school children and young adults. Additional marketing opportunities exist among medium and large bakery, pastry, food processing, and institutional end users. Regions of southern and eastern India may also present additional marketing opportunities.

Production, Supply and Demand Data Statistics:

Table 1. India: Commodity, Almond, PSD Table

Almonds, Shelled Basis India	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Aug 2012		Market Year Begin: Aug 2013		Market Year Begin: Aug 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	19,000	0	19,000		19,000
Area Harvested	0	17,000	0	17,000		17,000
Bearing Trees	0	1,160	0	1,160		1,160
Non-Bearing Trees	0	200	0	200		200
Total Trees	0	1,360	0	1,360		1,360
Beginning Stocks	0	23,867	0	23,791		18,401
Production	1,200	1,200	1,100	1,100		1,200
Imports	58,200	68,724	60,000	63,510		58,000
Total Supply	59,400	93,791	61,100	88,401		77,601
Exports	0	0	0	0		0
Domestic Consumption	59,400	70,000	61,100	70,000		63,000
Ending Stocks	0	23,791	0	18,401		14,601
Total Distribution	59,400	93,791	61,100	88,401		77,601

Commodities:

Walnuts, Inshell Basis

Production:

Indian walnut (*Juglans spp.*) production is expected to reach 38,000 MT (inshell basis) in MY 2014/15, down 12 percent from the previous year. Although weather conditions during the bloom period (March-April) in the Kashmir valley were reported to be favorable, since May, precipitation in the valley was 36 percent below the annual average. Post expects that the unusually dry weather will negatively affect the production and delay the harvest by 15 to 20 days. Typically the walnut harvest runs from the end of August through September, with market arrivals peaking in late October. Indian walnuts are cyclical in terms of production, with yields varying from five to 20 percent depending on the prevailing weather. The production estimate for MY 2013/14 has been revised up eight percent to reflect latest trade estimates.

Long gestation periods, poor orchard management, and uneven yields (estimated at 18-50 kg/tree/year with nut sizes varying from 24-32 mm) keep walnut production relatively stagnant. Moreover, India's walnut production areas are mostly confined to Jammu and Kashmir, Himachal Pradesh, and Uttarakhand. Indian walnuts are classified as hard, medium, or thin shell (kaghazi/paper thin) and the average shelling rate is 40 percent.

Consumption:

Indian walnut consumption in MY 2014/15 is expected to grow eight percent to 28,000 MT due to stable supplies and strong domestic demand. Presently, an estimated 50 to 60 percent of Indian walnut supplies are consumed domestically, of which nearly half are consumed during the festive season. Industry sources estimate that upwards of 10 percent of domestic consumption is by the bakery, confectionary, and ice cream industries. An additional three to four percent of walnuts (typically nuts that are already rancid) are used by soap and cosmetic manufacturers, who extract the oil for use in their various products.

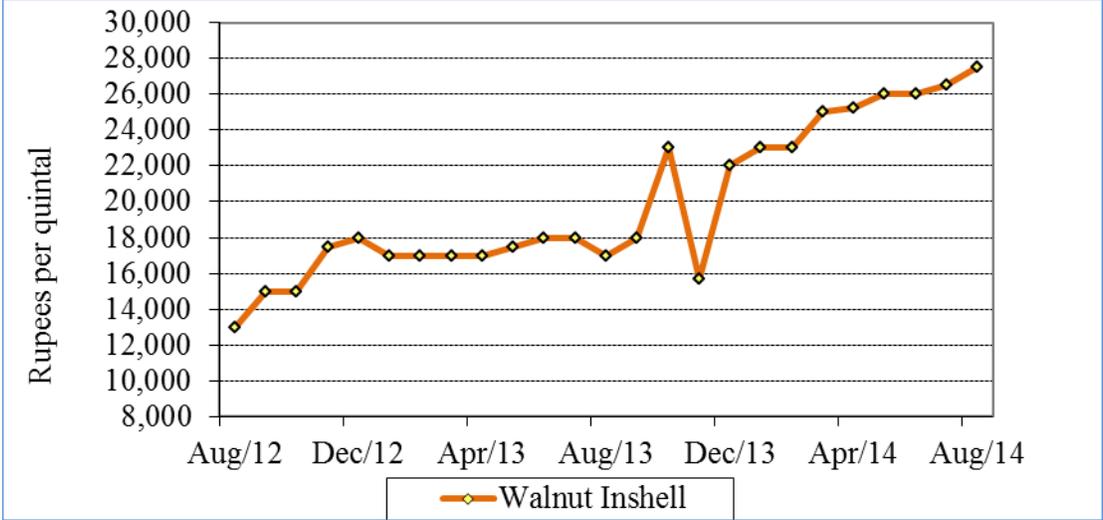
A growing awareness of the health benefits associate with eating walnuts (e.g. reducing cholesterol) has encouraged higher consumption, particularly in form of snacking. The wider usage of attractive consumer packaging (vacuum packs) is improving the shelf life and quality of walnuts, and has also encouraged year-round consumption as ready-to-eat snacks are more broadly available. Increased usage of walnut as ingredient for bakery and confectionary products is also supporting consumption growth.

Major processing facilities for shelling and packing walnuts are located in State of Jammu and Kashmir.

Prices

Strong export demand in MY 2013/14 along with production concerns for upcoming crop has lifted walnut prices by more than 45 percent over last year. Industry and trade experts believe that walnut prices will continue to remain strong through MY 2014/15 on strong festive demand. However, average walnut prices remained relatively stable throughout CY 2013 (Figure 2).

Figure 2. India: Average Wholesale Prices of Walnuts (In shell) in Delhi Wholesale Market



Source: Industry and trade sources

Trade:

Growing domestic consumption, coupled with a decline in domestic production in MY 2014/15, should lower exports of Indian walnuts by 16 percent to 13,500 MT. Additionally, tighter domestic supplies should encourage walnut imports, which are forecast at 1,000 MT. As the United States is the only country which currently meets India's quarantine requirements, U.S. walnuts are likely to be exclusively imported. In MY 2013/14, higher than anticipated domestic production and strong export demand lifted walnut exports. Incidentally, Vietnam outpaced the United Kingdom as the single largest buyer of Indian walnuts, as it bought 15 percent of India's total walnut exports, followed by the UK at 11 percent.

India's traditional walnut markets (Vietnam, United Kingdom, Netherland, Egypt, Spain, France, and Germany) bought almost 55 percent of India's exports in MY 2013/14 (Table 8). More than 95 percent of Indian walnuts are exported as kernels (35-40 percent light halves, 35-40 percent amber halves/light broken, and the balance as amber halves) in vacuum packs. Market sources report that the walnuts from the United States, Mexico, Chile, Turkey, China, and Ukraine compete with India on the international market (particularly shelled).

Trade Policy

Last year the Government of India allowed import of walnuts from the United States, provided that U.S. shippers provide additional declarations and meets special fumigation conditions (GAIN [IN3082](#)). Walnuts are imported into India without quantitative restrictions under the Open General License (OGL) program. Imports are subject to an effective import duty of 30.9 percent (see tariff in table 9) except for imports originating from the South Asian Association for Regional Cooperation (SAARC) countries and Afghanistan. Given the strength of Indian domestic production and the relatively high level of tariffs, walnut export opportunities to the Indian market are limited.

Production, Supply and Demand Data Statistics:

Table 2. India: Commodity, Walnut, PSD Table

Walnuts, Inshell Basis India	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Oct 2012		Market Year Begin: Oct 2013		Market Year Begin: Oct 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	36,600	0	36,600		36,600
Area Harvested	0	31,000	0	31,000		31,000
Bearing Trees	0	1,400	0	1,400		1,400
Non-Bearing Trees	0	200	0	200		205
Total Trees	0	1,600	0	1,600		1,605
Beginning Stocks	5,900	5,905	4,400	5,286		6,450
Production	36,000	36,000	40,000	43,000		38,000
Imports	0	491	0	164		1,000
Total Supply	41,900	42,396	44,400	48,450		45,450
Exports	12,000	13,110	13,000	16,000		13,500
Domestic Consumption	25,500	24,000	28,000	26,000		28,000
Ending Stocks	4,400	5,286	3,400	6,450		3,950
Total Distribution	41,900	42,396	44,400	48,450		45,450

Author Defined:

OTHER STATISTICAL TABLES

Table 3. India: Commodity, Almond, Prices Table

Prices Table			
Country	India		
Commodity	Almonds, Shelled Basis		
Prices in	Rupees	per	100 Kg
Year	2013	2014	% Change
January	54,000	65,700	18
February	51,000	67,200	24
March	48,300	65,300	26
April	49,000	64,200	24
May	49,700	62,600	21
June	51,700	54,000	4
July	56,200	59,000	5
August	59,300	65,500	9
September	58,100		-100
October	60,300		-100
November	59,800		-100
December	59,000		-100
Exchange Rate	Rs 60.42	Local Currency/US \$	
Date of Quote	8/26/2014	MM/DD/YYYY	

Source: Trade and Industry sources (average week-end prices in the Delhi Wholesale Market)

Table 4: Wholesale Almond Kernel Prices (Rs/Kg), Delhi Market

Type (Origin)	MY 2013/14	MY 2012/13	MY 2011/12
California almonds	600-650	470-630	370-430
Mamra Almonds (Iran)	1200-1800	1200-1800	800-1200
Qumi Almonds (Iran)	800-1000	-	450-600
Gulbandi Almonds (Afghan)	450-500	NA	300-400

Source: Trade sources

Table 5. India: Commodity, Almond, Import Trade Matrix

Import Trade Matrix			
Country	India		
Commodity	Almonds, Shelled Basis		
Time Period	Sept/Aug	Units:	Metric Tons
Imports for:	2012		2013
U.S.A	56,860	U.S.A	46,436

'Others'		'Others'	
Australia	9,144	Australia	12,515
Iran	1,155	Afghanistan	2,615
Afghanistan	1,007	Iran	974
Syria	384	Syria	883
Total for 'Others'	11,691		16,987
Others not Listed	173		87
Grand Total	68,724		63,510

Source: Estimates for 2012/13 and 2013/14 are derived from trade sources and Global Trade Atlas and California Almond Board Statistics (2012/13 and 2013/14). Please note that the data available from trade sources were for 11 months.

Note: 'uom' is unit of measurement.

Table 6. India: Commodity, Walnut, Price Table

Prices Table			
Country	India		
Commodity	Walnuts, Inshell Basis		
Prices in	Rupees	per uom	100 Kg
Year	2013	2014	% Change
January	17,000	23,000	35
February	17,000	23,000	35
March	17,000	25,000	47
April	17,000	25,200	48
May	17,500	26,000	49
June	18,000	26,000	44

July	18,000	26,500	47
August	17,000	27,000	59
September	18,000	27,500	53
October	23,000		-100
November	15,700		-100
December	22,000		-100
Exchange Rate	Rs 60.42	Local Currency/US \$	
Date of Quote	8/26/2014	MM/DD/YYYY	

Source: Trade and Industry sources (average week-end prices in the Delhi Wholesale Market)

Table 7. India: Walnut Prices

PRICE	UNITS	MY 2013/14	MY 2012/13	MY 2011/12
<i>Wholesale Price of FAQ Walnut in Kashmir</i>	(Rs/Kg)	450-600	130-175	100-150
<i>Export Price (C&F Europe)</i>				
1. Light Halves	US\$/MT	10,000-10,600	8,000-10,500	4,000-9,000
2. Light Broken/Amber Halves	US\$/MT	8,500-9,000	6,500-9,000	6,800-8,000
3. Amber Broken	US\$/MT	6,800-7,500	4,000-7,100	4,500-7,000

Source: Market Sources

Table 8. India: Commodity, Walnut, Export Trade Matrix

Export Trade Matrix			
Country	India		
Commodity	Walnuts, In Shell Basis		
Time Period	April-March	Units:	Metric Tons
Exports for:	2012		2013
U.S.A	660	U.S.A	850
'Others'		'Others'	
United Kingdom	2,185	Vietnam	2,438
Egypt	1,698	United Kingdom	1,733
China	1,150	Netherlands	1,563
Netherlands	1,020	Egypt	1,450
Germany	928	Spain	1,065
France	828	Germany	998

Vietnam	593	France	820
Australia	533	Thailand	718
Taiwan	495	Australia	523
Spain	483	Taiwan	430
Hong Kong	418	Denmark	355
Greece	343	Algeria	305
Total for 'Others'	10,670		12,395
Others not Listed	1,784		2,703
Grand Total	13,114		15,948

Note: MY 2012 refers to Indian Fiscal Year (IFY) 2012/13 (April-March) as most exports happen during October through March.

Source: MY 2012 - Trade sources and Global Trade Atlas
MY 2013 - Provisional Trade Estimates

Table 9. India: Almond and Walnut Tariffs

Commodity Code	Description	Import Policy	Basic Duty/2	Education Cess	Total Applicable Duty /5
HC 0802.11	Almonds Inshell	OGL /1	Rs 35/kg	Exempted /3	Rs 35/kg
HC 0802.12	Almond Kernel	OGL /1	Rs 65/kg	2+1%	Rs. 66.95/kg
HC 0802.31	Walnut Inshell	OGL /1	30/20% /4	2+1%	30.9/20.6% /4
HC 0802.32	Walnut Shelled	OGL /1	30/20% /4	2+1%	30.9/20.6% /4

Notes on Tariff:

/1: OGL (Open General License) – no quantitative restrictions.

/2: Under the Indo Afghan Preferential Trade Agreement, a tariff concession of 50 percent is applied on the basic import duty for these goods if imported from Afghanistan.

/3: Almonds in-shell are exempted from the education cess.

/4: Preferential duty for SAARC countries (Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives and Bhutan).

/5: Method for computing Total applicable duty:

A: CIF Value of Good

B: Basic Duty = Basic Duty Rate * A

C: Education Cess (EC) = EC Rate * B

Total Applicable Duty = B+C