



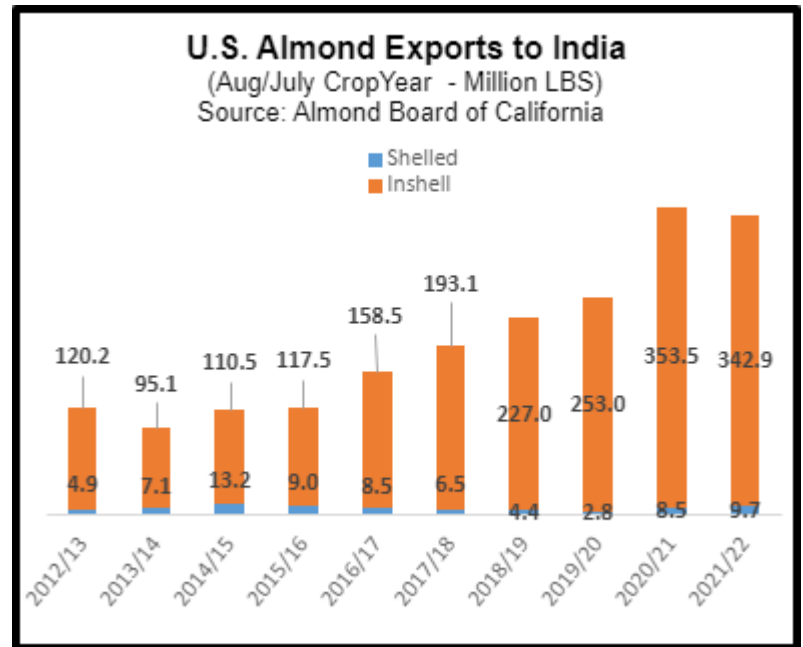
Market Profile: India

Trade

- India is the California almond industry’s #1 export market in crop year 2021/22 (August-July).
- Shipments have more than doubled in volume over the last six years, from 167 million lbs. in 2016/17 to over 352 million lbs. in 2020/21.
- Approximately 95% of almonds are shipped inshell due to tariff benefits.

Market Overview

- ABC has budgeted \$8.4 million to the India program for FY 22/23, reflecting its continued commitment to this market.
- There is a long cultural tradition of almonds in India; it is one of the foods mentioned in ayurvedic texts as having beneficial health properties.
- The expansion of formal retail and increased ingredient usage are growth opportunities for almonds.
- ABC has an office and staff member located in Delhi.



Key Issues

- U.S. implementation of Section 232 tariffs on imported steel and aluminum in 2018 and removal of India’s GSP privileges in 2019 resulted in India’s increasing the specific duty on U.S. almonds from 35 RPS/kg to 41 RSP/kg for inshell and 100 to 120 RSP/kg for kernels, increasing levels above India’s WTO bound rates.
- Following the signing of the Australia-India Comprehensive Economic Cooperation Agreement (AI-CECA), India will allow 50% of MFN tariff rate to Australian almonds for a TRQ of 34,000 MT with effect from 2023. Currently, Indian duties on Australian almonds are at 35 RPS/kg for inshell and 100 RSP/kg for shelled.
- Trade disruptions caused by No Objection Certificates (NOC) are still a concern for the almond industry.

Almond	May 2018	Increase to bound rate (all origins)	Retaliatory Tariffs (US only)
Inshell	35 rps/kg	35 rps/kg	41 rps/kg
Kernel	65 rps/kg	100 rps/kg	120 rps/kg

- USDA/FAS is in discussions with the Food Safety and Standards Authority of India (FSSAI) over questions related to required Certificates of Origin (COO) which have no prescribed format and non-retail labeling regulations, which were amended in July 2022.
- California and Australian exporters continue to engage FSSAI over almond kernel standards that went into effect in 2021 which focus on commercial, quality parameters rather than food safety parameters.
- GST on almonds is 12%, while cashews, raisins, peanuts and walnuts are at 5%. There is concern that the government may consolidate some of the higher bands, which could move almonds into a higher GST category.
- While the number of companies involved in almond imports are expanding, the available financing in the market is still limited, but is growing.
- From time to time there is confusion at the port level on requirements for labelling for almonds (bulk vs retail), application of import parameters (e.g. % defects), as well as insect presence.