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## **Report Name:** Tree Nuts Annual

**Country:** India

**Post:** New Delhi

**Report Category:** Tree Nuts

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### **Report Highlights:**

For marketing year (MY) 2024/2025 (August-July), post forecasts India's almond production marginally lower at 4,150 metric tons (MT) (shelled basis), compared to last MY estimates. For the same MY, post projects almond imports at 190,000 MT, up by six percent from the previous MY 2023/2024 estimates of 180,000 MT. Post is revising its earlier MY 2023/2024 import estimates to 180,000 MT based on the latest updated trade data. For MY 2024/2025 (September-August), post forecasts India's walnut production at 33,200 MT (in-shell basis). For MY 2023/2024, post is revising its estimates lower at 33,000 MT as there were no seasonal rains in the state of Jammu and Kashmir, and soil degradation in the walnut regions has affected its production yield. For MY 2024/2025, post expects India's walnut imports to reach 70,000 MT, a 17 percent increase from the previous MY estimates. India's MY 2024/2025 (September – August) pistachio (in-shell basis) imports are forecast at 40,000 MT.

## COMMODITY

### ALMONDS, SHELLED BASIS

**Table 1. India: Commodity, Almond, Production, Supply and Distribution (PSD)**

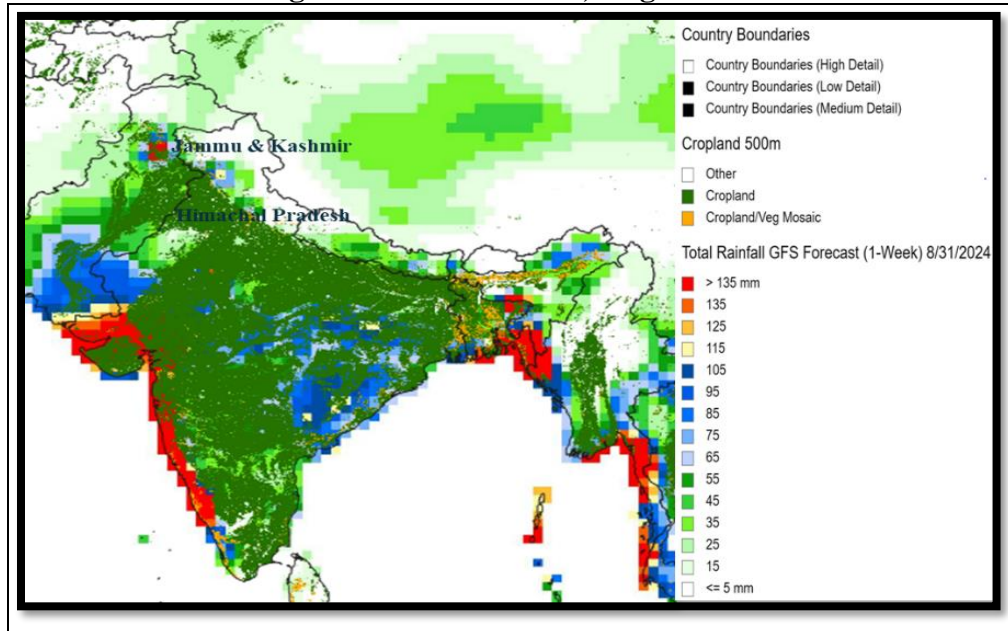
Almonds, Shelled Basis	2022/2023		2023/2024		2024/2025	
Market Year Begins	Aug 2022		Aug 2023		Aug 2024	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	48000	0	48000	0	48000
Area Harvested (HA)	0	45000	0	45000	0	45000
Bearing Trees (1000 TREES)	0	2950	0	2900	0	2900
Non-Bearing Trees (1000 TREES)	0	290	0	290	0	290
Total Trees (1000 TREES)	0	3240	0	3190	0	3190
Beginning Stocks (MT)	37090	37090	34090	33920	0	30680
Production (MT)	4275	4275	4200	4200	0	4150
Imports (MT)	152500	152500	170000	180000	0	190000
Total Supply (MT)	193865	193865	208290	218120	0	224830
Exports (MT)	0	170	0	150	0	170
Domestic Consumption (MT)	159775	159775	178290	187290	0	195660
Ending Stocks (MT)	34090	33920	30000	30680	0	29000
Total Distribution (MT)	193865	193865	208290	218120	0	224830

### PRODUCTION

For marketing year (MY) 2024/2025 (August-July), post forecasts India's almond production lower at 4,150 metric tons (MT) (shelled basis), owing to climate and soil challenges within the top almond producing states of Jammu and Kashmir and Himachal Pradesh. There has been a continued trend of high temperatures, a lack of soil moisture, and prolonged dryness (Figure 1) in these top growing areas, which indicates an ongoing threat to India's almond orchards that results in damaged crops at the blooming stage and reduced fruit setting.<sup>1</sup> Additionally, aging orchards and low yields are enticing farmers to shift away from almonds to more profitable, and government supported, apple cultivation.

<sup>1</sup>See, Rising Kashmir, "High Temperature, lack of moisture induces dryness in almond trees," located at: <https://risingkashmir.com/high-temp-lack-of-soil-moisture-induce-dryness-in-almond-trees/>

**Figure 1. Total Rainfall, August 2024**



Source: Global Agricultural & Disaster Assessment System & FAS New Delhi Research

**India's Almond Production Locations:** According to the National Horticulture Board 2021-2022 (First Advance Estimates), India's Union Territory of Jammu and Kashmir has the country's top almond production share (91.26 percent), followed by Himachal Pradesh (8.73 percent) and Maharashtra (0.09 percent). Popular varieties grown in India include the *Shalimar*, *Makdoon*, *Waris*, and *Kagazi* (thin shell). The Kashmir Horticulture Department actively promotes the production of *Kagazi* almonds due to its higher yields and late blooming characteristics. Shelling rates range between 20 and 30 percent for hard-shell varieties, and 40 percent for thin-shelled varieties.

To revive local almond cultivation and production, the Jammu and Kashmir government in recent years has launched several schemes and initiatives. These include the High-Density Plantation Scheme (HDPS), establishment of nurseries exclusively for almonds, and the development and enhancement of irrigation infrastructure.<sup>2</sup>

## CONSUMPTION

For MY 2024/2025, post estimates an increase in almond consumption at 195,660 MT, rising in tandem with Indian consumers' growing incomes. Post is revising MY 2023/2024 estimate to 187,290 MT on account of an expanding consumer base. The increased purchasing power and the preference for healthy and nutritious snack foods is expected to continue to drive the demand for almonds. Globally, India ranks second in terms of consumption of almonds.

With limited domestic almond production of its own, India turns to imports to satisfy its cravings for almonds. Indian media sources highlight that India's in-shell almond imports over the last decade have grown with an astounding compound-annual-growth-rate (CAGR) of 17.5

<sup>2</sup> See, Government of Jammu and Kashmir Department of Horticulture located at: <https://horticulture.jk.gov.in/>.

percent.<sup>3</sup> [Market reports](#) (from 2021) report that per capita consumption of almonds is about 0.11 kilograms (kg), which is a jump from the per capita figure of 0.08 kg being reported in 2019. Despite being a major importer of almonds, India's per capita consumption of almonds, due to its large population size, is lower than that of other markets but still has major potential for expansion as consumers shift from other snacks to greater almond consumption.

Half of India's population is under 30 years of age, and there is a rising awareness of health and nutrition that is increasing demand for almonds. Indian consumers value the nutrient-rich crunchy nut that is packed with protein, fiber, vitamin E, and antioxidants. Traditionally, almonds have been seen to help improve memory performance and as being heart healthy.<sup>4</sup> However, Indian almond consumption is no longer based just on traditional, cultural habits, for example, eating of almonds (soaked in water) each morning to improve memory and for the festive season. They are now commonly used in several Indian sweets as well as health drinks, breakfast cereals, snacking nuts (i.e., salted, and spicy almonds, trail mix, etc.), chocolates, cookies and ice-cream. India is also set to see a growth in the imports of some derivative products of almonds such as almond milk, flour and butter. These factors will contribute to spur the growth in India's food processing and personal care industries. Bulk sales, associated with business and corporate gift giving, are also expanding in popularity driving overall consumption numbers upward. The packaged almond snack market in India is projected to reach Indian rupees (INR) 1 billion (\$12 million) by end of calendar year 2024.

## STOCKS

For MY 2024/2025, post estimates India's almond ending stocks lower at 29,000 MT on expectations of continued strong domestic demand.

## TRADE

**Imports:** For MY 2024/2025, post projects almond imports at 190,000 MT, up by six percent from the previous MY 2023/2024 estimates. Post is revising its earlier MY 2023/2024 estimate to 180,000 MT based on the latest updated trade data. The removal of India's 2019 retaliatory tariffs last year has strongly boosted U.S. almond exports and in value terms there has been a 30 percent growth.

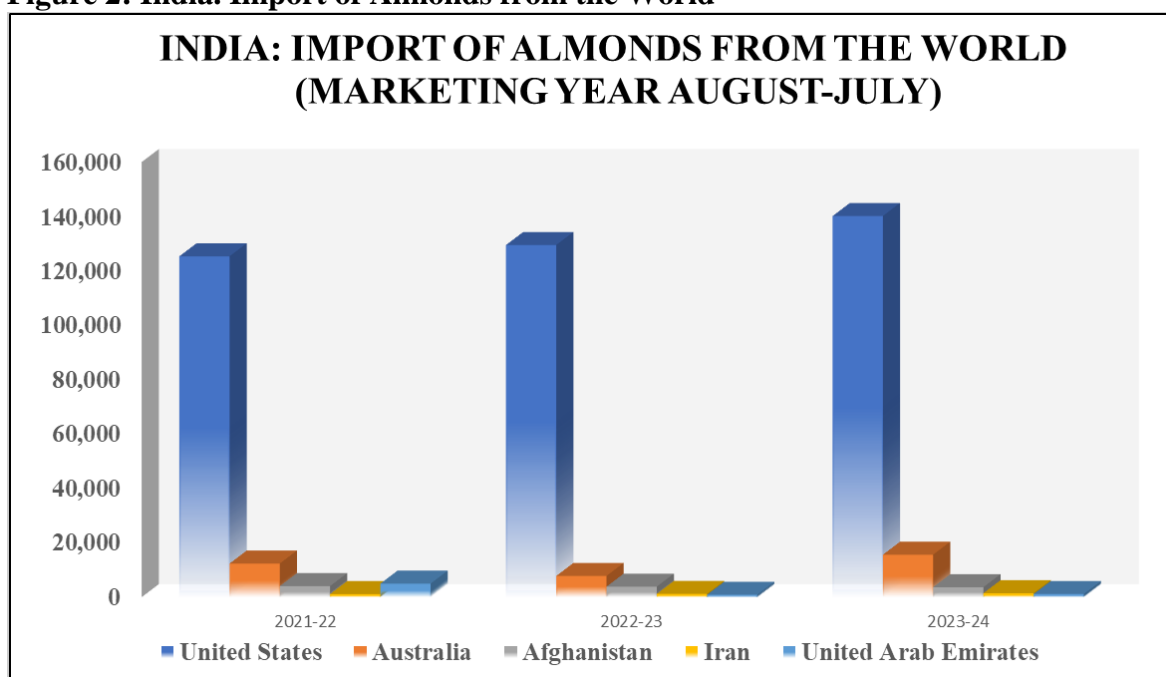
India is the top destination for U.S. almonds (Figure 2). Specifically, California- origin almonds in MY 2024/2025 account for roughly 86 percent of India's overall almond imports; Australian-origin almond imports come in a distant second with 10 percent market share (See, Table 2). Almond imports from the United States and Australia are typically the in-shell nonpareil or Carmel varieties, which are shelled locally (i.e., machine-cracked and hand sorted). By shelling the almonds locally, value addition occurs domestically; this contributes to expanded Indian employment opportunities and helps with the Indian government's "Make in India" initiative. Most other origins, however, supply shelled almonds.

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<sup>3</sup> <https://www.entrepreneurindia.co/blog-description/9014/almond+market+and+demand+in+india>.

<sup>4</sup> A prevailing Indian cultural habit, for example holds that eating seven almonds (soaked in water) each morning helps to improve memory function.

**Figure 2: India. Import of Almonds from the World**



Note: Trade data for MY 2023-2024 is for the August-June period.

Source: Trade Data Monitor, FAS New Delhi research.

Though the sea freight rates oscillated between January 2023 and March 2024, almond shipments to India continued its rising trend due to growing demand.

**Table 2: India: Commodity, Almond, Imports, MY 2024/2025 (August-July) (MT)**

Country	In-Shell	Shelled	Total Quantity	% Share
<b>World</b>	149,675	13,464	163,139	100
<b>United States</b>	138,310	1,861	140,171	86
<b>Australia</b>	10,132	5,473	15,605	10
<b>Afghanistan</b>	978	2,669	3,647	2
<b>United Arab Emirates</b>	29	1117	1,146	<1
<b>Iran</b>	3	1,438	1,441	<1

Note: In-shell almonds are converted to a shelled basis by multiplying by a factor of 0.6. Trade data is for the August 2023-June 2024 period.

Source: Trade Data Monitor, FAS New Delhi office research.

**Exports:** India, with limited domestic production of its own, will continue to have negligible exports for the foreseeable future. India's exports will consist mainly of small quantities of branded almond snack food products being exported to neighboring countries in South Asia.

## POLICY

India's removal of its retaliatory tariffs in [September 2023](#), has restored and expanded market opportunities for U.S. agricultural producers and manufacturers. The reduction of duty for

almonds is from INR 41/kg to INR 35/kg on the applied rate for in-shell almonds (see, [GAIN-INDIA | IN2023-0066 | Success Story - India Cuts Retaliatory Tariffs on U.S. Almonds-Apples-Walnuts-Chickpeas-Lentils](#)).

**Table 3. India: Almonds, Tariffs**

Commodity HS Code	Description	Basic Customs Duty	Social Welfare Surcharge
0802.11.00	Almonds In-shell	INR 35/kg	Not Applicable
0802.12.00	Almonds Shelled	INR 100/kg	Not Applicable

Source: FAS New Delhi.

**India’s Non-Tariff Barriers:** India’s non-tariff barriers include stringent almond kernel quality standards as prescribed by the Food Safety and Standards Authority of India (FSSAI).<sup>5</sup> These standards, as informed by local trade sources, are too strict to be widely applied across multiple commercial grades. These only create challenges, causing needless custom clearance delays.

Traders sustain that there is a need for greater grading flexibility. Grading needs to account for varying commercial situations, including varietal differences, crop quality variability, and pricing differentials. It should not be largely premised on just physical parameters such as damage and the presence of foreign material.

## COMMODITY

### WALNUTS, IN-SHELL BASIS

**Table 4. India: Commodity, Walnuts, Production, Supply and Distribution (PSD)**

Walnuts, Inshell Basis Market Year Begins India	2022/2023		2023/2024		2024/2025	
	Sep 2022		Sep 2023		Sep 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	0	0	0	0	0
Area Harvested (HA)	0	0	0	0	0	0
Bearing Trees (1000 TREES)	0	0	0	0	0	0
Non-Bearing Trees (1000 TREES)	0	0	0	0	0	0
Total Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (MT)	14000	14000	18000	18510	0	18380
Production (MT)	34000	34000	33450	33000	0	33200
Imports (MT)	55000	57260	60000	60000	0	70000
Total Supply (MT)	103000	105260	111450	111510	0	121580
Exports (MT)	800	550	950	1130	0	1200
Domestic Consumption (MT)	84200	86200	91250	92000	0	102500
Ending Stocks (MT)	18000	18510	19250	18380	0	17880
Total Distribution (MT)	103000	105260	111450	111510	0	121580

<sup>5</sup> See, GAIN-INDIA | [IN2020-0103](#) | India Almond Kernel Standards and other Various Food Products Published in the Indian Gazette.

## PRODUCTION

For MY 2024/2025 (September-August), post forecasts India's walnut production at 33,200 MT (in-shell basis) anticipating unfavorable weather trends and degradation in the soil conditions across the major walnut producing states of India to continue. For MY 2023/2024, post is revising its estimates lower at 33,000 MT as there were no seasonal rains in the state of Jammu and Kashmir, and soil degradation in the walnut regions has affected its production yield. Indian walnut production is cyclical, and yields can vary by up to 20 percent depending on weather conditions during the flowering (February to April) and harvesting (August to September) stages.

**India's Walnut Production Locations:** India's walnuts are grown in the northwestern Himalayan belt, extending through India's northern region. Production is mostly concentrated in Jammu and Kashmir (98 percent), where popular varieties include *Lake English*, *Drainovsky*, *Opex Caulchry*. However, Himachal Pradesh (*Gobind*, *Eureka*, *Placentia*, *Wilson*, *Franquetfe*, *Kashmir Budded* varieties); Uttarakhand (*Chakrata* varieties); and the northeastern states of Sikkim and Arunachal Pradesh also contribute to walnut production volumes.

India's walnuts come in various sizes and with varying characteristics and are sorted into paper-shelled, thin-shelled, medium-shelled, and hard-shelled categories. The walnut harvest typically occurs from late August through September. Heat stress and sunburn, attributable to excessive temperatures, can significantly reduce walnut yields.

**India's Walnut Cultivation Shortcomings:** India's walnut production lacks advanced horticultural practices that are often found in other walnut growing countries. In Jammu and Kashmir, walnut trees are mainly cultivated in an unorganized manner. The region does not engage in high-density planting, nor does it have improved orchard management practices. Production suffers from low yields due to poor genetics, lack of irrigation, and poor soil quality and management practices.

There is a need for improved tree varieties that have faster fruiting periods, drip irrigation, and modern post-harvest infrastructure facilities. Most walnut trees in production are 40 years old or greater. Media and trade sources report declining productivity of trees coupled with reduced market value due to an absence of adequate dry fruit markets.<sup>6</sup> Field experts report that higher-yielding varieties, using high-quality grafted plants, are urgently needed to help increase domestic production and produce higher quality kernels.

## CONSUMPTION

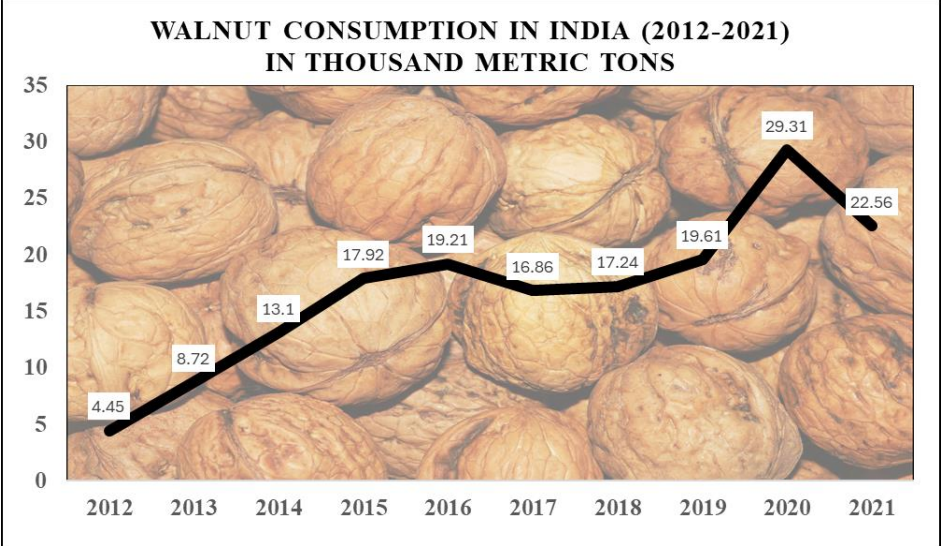
For MY 2024/2025, post estimates India's walnut consumption higher at 102,500 MT, thanks to increasing consumer demand. Indian middle-class consumers, benefitting from growing incomes and walnuts health benefits are picking up walnuts as quickly as possible. Improved packaging and storage (i.e., vacuum-packed bags) will also contribute to greater year-round

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<sup>6</sup> See, [Money-Control](#): "Kashmir's Walnut Industry is Cracking Under Pressure. Here's Why." (September 13, 2022).

consumption. Post is revising upwards its earlier MY 2023/2024 and MY 2022/2023 consumption estimates to 92,000 MT and 86,200 MT respectively on account of an expanding consumer base.

**Figure 3: Walnut Consumption in India**



Source: Statista and FAS New Delhi research

**Consumer Preferences:** The Indian appetite for walnuts is growing steadily since COVID-19 as the fast-growing Indian population is learning about its health benefits. For Indian consumers, kernel color is key. Consumers favor lighter skin kernels, which are often bleached. Traditional and modern retail stores, including India’s e-retail sector, are also contributing to increase consumer demand. Industry sources indicate that consumption of walnuts in India has the potential to grow by 50 percent every year. In-shell walnuts remain in high demand and are sold predominantly in traditional markets and retail. However, shelled walnut kernels are gaining in popularity with its wide use as a snacking nut and use in household cooking. Approximately 70-75 percent of India’s walnut consumption takes place at the household level, with more than half of consumption occurring during the festive season (October-November). Additionally, the culinary versatility of walnuts used in a variety of Indian dishes, from sweets to savories, as well as the expanding use of walnut oil in India’s thriving cosmetics industry enhances its popularity. The convenience and wide reach of e-commerce and quick-commerce platforms have propelled walnut sales across various geographical regions. The supermarkets are increasingly dedicating its shelf space to cater to rising demand for tree nuts, including walnuts.

**STOCKS**

For MY 2024/2025, post estimates India’s walnut ending stocks lower at 17,880 MT on expectations of growing domestic demand.



## TRADE

**Imports:** For MY 2024/2025, post expects India's walnut imports to reach 70,000 MT, a 17 percent increase from the previous MY estimates, thanks to improved pricing, reduced domestic production, and rising domestic demand. The United States and Chile, the two largest suppliers of walnuts to India, are expected to expand available supply in MY 2024/2025. Post is revising its earlier MY 2022/2023 estimate to 57,260 MT based on the latest updated trade data.

India's main supplier of walnuts is Chile, which commands a substantial market share of 59 percent (See Table 5 and Figure 4). The United States (27 percent) and Afghanistan (5 percent) trail Chile in second and third place. India is primarily an in-shell walnut market, with most demand occurring from imports as compared to domestic production. The removal of India's retaliatory tariffs (Notification [No. 53/2023-Customs of September 5, 2023](#)) on U.S. walnuts has also contributed significantly to boost its growth in the Indian market.

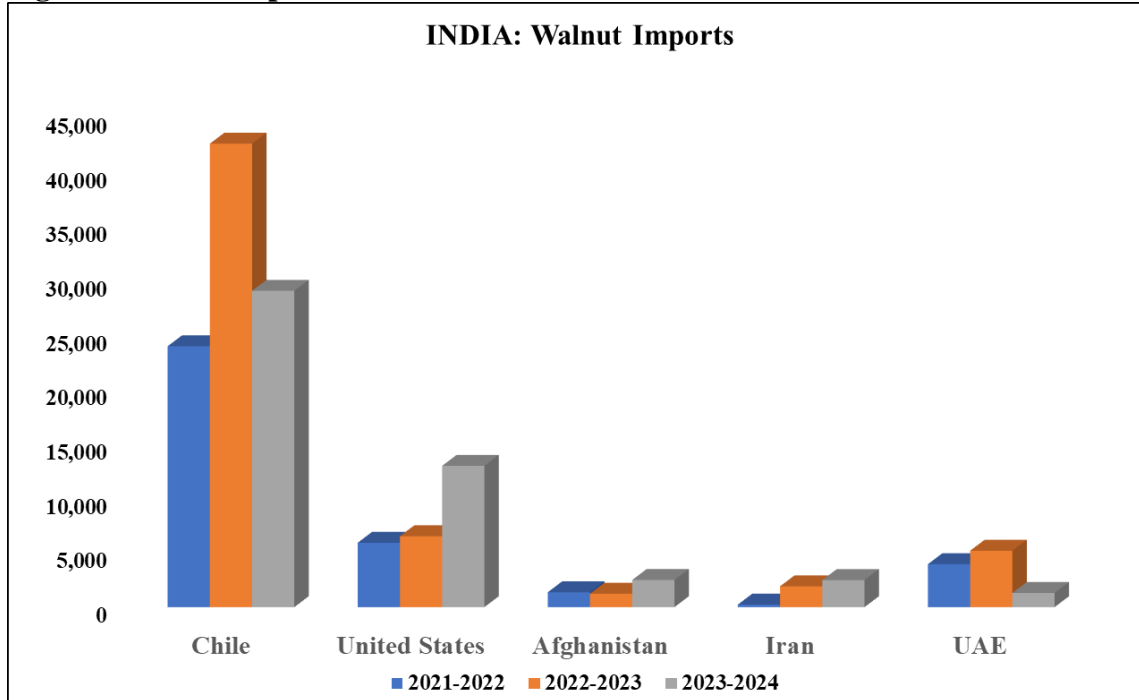
	<b>In-Shell</b>	<b>Shelled</b>	<b>Total Quantity</b>	<b>Percentage Share</b>
<b>World</b>	41,665	7,321	48,986	100
<b>Chile</b>	27,406	1,711	29,117	59
<b>United States</b>	12,988	17	13,005	27
<b>Afghanistan</b>	680	1,823	2,503	5
<b>Iran</b>	90	2,402	2,492	5
<b>UAE</b>	434	873	1,307	3

Note: Shelled walnuts conversion rate to in-shell basis = 2.34.

Trade data is from September 2023-June 2024.

Source: Trade Data Monitor, FAS New Delhi research.

**Figure 4: India. Import of Walnuts from the World**



Source: Trade Data Monitor, FAS New Delhi research

**Exports:** For MY 2024/2025, post forecasts India’s walnut exports up from the previous marketing year at 1200 MT. India’s walnut exports are negligible in comparison to its imports. Primary export destinations included the UAE, and Iran. Post is revising its earlier MY 2023/2024 export estimate to 1130 MT and the MY 2022/2023 figure to 550 MT based on the latest trade data.

Over 95 percent of India’s walnut exports are shelled kernels in vacuum packs, with 35-40 percent classified as “light halves,” 35-40 percent “amber halves/light broken,” and the balance as “amber halves.” According to market sources, Indian walnuts are competitively priced against other origins, including those of the United States, Chile, Turkey, and China.

**POLICY**

India’s Open General License program permits walnut imports without quantitative restrictions. On September 6, 2023, the retaliatory tariff of 20 percent imposed on U.S. origin walnuts was rescinded. It is expected that this removal will continue to boost U.S. exports of walnuts to India even with in-shell and shelled walnut imports facing a basic custom duties of 100 percent.

Commodity HS Code	Description	Basic Customs Duty	Social Welfare Surcharge
0802.31.00	Walnuts In-Shell	100 Percent	Not Applicable
0802.32.00	Walnuts Shelled	100 Percent	Not Applicable

Trade sources allege that some traders are under-invoicing walnuts from other origins, including Chilean origin ones. This makes walnuts from United States less competitive and depress domestic prices.<sup>7</sup> Post understands this is an ongoing issue dating back to February 2020, when both shelled and in-shelled walnuts, were made subject to a 100 percent tariff. Trade sources continue to petition to the government to impose the duty on a quantity-based (per/kg basis), like what is done with almond imports. Levying duty on a quantity-based (per kilogram basis) is expected to shield the domestic industry from the unfair price advantage that other origins enjoy and it also helps the Indian government from genuine import duty revenue loss. The enormous import of undervalued walnuts into the Indian market has smashed and depressed the prices of domestic walnuts and as the prices get dented, the livelihood of local population involved in walnut cultivation suffers.

## COMMODITY

### PISTACHIOS, IN-SHELL BASIS

**Table 7. India: Commodity, Pistachios, Production, Supply and Distribution (PSD)**

<b>Pistachios, Inshell Basis</b>	<b>2022/2023</b>		<b>2023/2024</b>		<b>2024/2025</b>	
<b>Market Year Begins</b>	<b>Sep 2022</b>		<b>Sep 2023</b>		<b>Sep 2024</b>	
<b>India</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Planted (HA)</b>	0	0	0	0	0	0
<b>Area Harvested (HA)</b>	0	0	0	0	0	0
<b>Bearing Trees (1000 TREES)</b>	0	0	0	0	0	0
<b>Non-Bearing Trees (1000 TREES)</b>	0	0	0	0	0	0
<b>Total Trees (1000 TREES)</b>	0	0	0	0	0	0
<b>Beginning Stocks (MT)</b>	0	0	0	0	0	0
<b>Production (MT)</b>	0	0	0	0	0	0
<b>Imports (MT)</b>	35700	33573	40000	37500	0	40000
<b>Total Supply (MT)</b>	35700	33573	40000	37500	0	40000
<b>Exports (MT)</b>	0	0	0	0	0	0
<b>Domestic Consumption (MT)</b>	35700	33573	40000	37500	0	40000
<b>Ending Stocks (MT)</b>	0	0	0	0	0	0
<b>Total Distribution (MT)</b>	35700	33573	40000	37500	0	40000

## PRODUCTION

There is no commercial production of pistachios in India. Some limited, unorganized production is, however, found in Jammu and Kashmir.

<sup>7</sup> Post sources inform that the Indian government has lost millions of rupees in excise duties due to this undervaluation practice. Source: [Hindu Business Line](#), “J&K Walnut Industry Says Under-invoiced Imports Hurting Local Livelihoods.” (July 25, 2022).

## CONSUMPTION

With no organized domestic almond production of its own, India turns to imports to satisfy its appetites for pistachios. FAS New Delhi forecasts India's MY 2024/2025 (September-August) pistachio consumption at 40,000 MT in anticipation of peak sales during the upcoming festive season and expanding organized retail and online e-commerce.

Traditionally, the Indian consumer has preferred Iran- and Afghanistan-origin pistachios due to the familiarity with the taste, texture, color, and shape of the nut. Conversely, U.S.-origin pistachios are relatively different in taste, have a distinct greenish tint, and are larger in size with a different texture, but have become more familiar to Indian consumers in recent years. California's U.S. grade 21-25 No. 1 pistachio is the preferred American variety.

India's mithai (sweets) sector utilizes lower quality (i.e., broken/chipped kernels) pistachios as a food ingredient primarily due to lower pricing. In the last decade, American pistachios were utilized for food processing, due to perceived inconsistent product quality and a different flavor profile. However, Post sources note that recent improvement in pistachio quality has contributed to higher demand for U.S, specifically, California pistachios, which are consumed more widely as a snacking nut and for use in the HRI sector.

## TRADE

**Imports:** FAS New Delhi forecasts India's MY 2024/2025 pistachio imports at 40,000 MT. Post's earlier MY 2023/2024 estimates are revised higher to 37,500 MT and MY 2022/2023 lowered to 33,573 MT in accordance with the trade data.

The United States in MY 2024/2025 is India's largest supplier of pistachios, with a 44 percent share. Iran (23 percent) and the UAE (22 percent) trail in second and third place. As the UAE does not produce pistachios, the pistachios are likely being trans-shipped from other origins, primarily the United States. In MY 2024/2025, the largest supplier of pistachios to India were United States, Iran, and the UAE.

Partner Country	In-Shell	Shelled	Total Quantity	% Share
World	20,830	13,605	34,435	100
United States	14,666	550	15,216	44
Iran	3,152	5,044	8,196	23
UAE	2,821	4,841	7,662	22
Turkey	96	243	339	<1
Afghanistan	19	2,930	2,949	<1

Note: Shelled Pistachio conversion rate to in-shell basis = 2.0.

Trade data is from September 2022-June 2023.

Source: Trade Data Monitor; FAS New Delhi research.

**Exports:** India's exports of pistachios are insignificant.

**POLICY**

India levies a 10 percent basic customs duty (BCD) on raw pistachios (in-shell and shelled), and 30 percent on roasted pistachios. Additionally, a Goods-and-Services Tax (GST) of 12 percent is applied on the customs and freight value, along with a Social Welfare Surcharge of 10 percent of the customs duty.

**Attachments:**

No Attachments