Market Pecans in India

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Market Assessment

- India is one of the most dynamic and fastest growing markets in the world.
- With 1.37 billion inhabitants, India is the second most populous country after China.
- Over 50% of population below age of 25 (Buying Catalyst)
- It is estimated that India is on pace to become the world’s third largest economy by 2025. GDP growing at 4.9%.
- India’s agricultural imports grew from $24.6 billion in 2014 to $24.9 in 2018, while exports decreased by roughly $4 billion during the same period.
- India’s large growing affluent urban consumers are becoming more interested in Western-style foods.
Advantages

• U.S. products are perceived as high quality and safe.
• Tree nuts are largest ag. export to India, constituting 30% of total US Ag. exports to India.
• Strong demand for consumer oriented agricultural products.
• Emerging consumer trends favor healthier, natural, and organic food options.
• Shifting buying habits and consumer preferences to purchase high-quality products over price.
• The market demand for tree nuts continues to grow, resulting in the largest agricultural product exported to India.
  ▪ Previously, tree nuts were primarily consumed during certain Indian holidays.
  ▪ Indian consumers now prefer tree nuts throughout the entire year with October to December being the months with highest demand.
• India does not produce pecans.
• India is protein deficient
• [https://www.fas.usda.gov/regions/india](https://www.fas.usda.gov/regions/india)
Challenges

- U.S. Pecans, high 36% tariff (Almonds 5%)
- Lack of awareness (i.e. Identify, Pecan v. Walnut, Health Attributes, Versatility)
- Up to 12% Value Added Tax (VAT)
- Infrastructure (Cold Chain, logistics, handling and food safety)
- Price sensitivity and currency exchange fluctuations
- Close proximity of competing foreign suppliers
- Regulatory environment.
  - Phyto-sanitary requirements (e.g. kernel fumigation and labeling)
- Gross National Income Level is $2012 USD/year in 2018
- Income inequality. India’s richest 1% holds 73% wealth.
- 10.6% Population speak English (Official-Hindi, Secondary-English)
- 22 Major languages in India, written in 13 scripts with over 720 dialects
**U.S. Pecan Exports to India**

- **U.S. pecan demand and sales show continuous growth.**

**WISERTrade: State HS Database**

From State: All States  
Series: Exports  
Unit: Total dollar value  
Commodity: Pecans, Nuts Nesoi, Fresh Or Dried, Shelled  
HS Code: 080290  
Sorted by: 2019  
Destination: India  
Order: Desc

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Comparison of other U.S. Exported Tree Nuts in Indian Market

Almond

WISERTrade: State HS Database

From State: All States  Series: Exports  Unit: Total dollar value
Commodity: Almonds, Fresh Or Dried, In Shell  HS Code: 080211  Sorted by: 2019
Destination: India  Order: Desc

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## Comparison of U.S. Exported Tree Nuts in Indian Market

### Walnut

**WISERTrade: State HS Database**

- **From State:** All States  
- **Series:** Exports  
- **Unit:** Total dollar value  
- **Commodity:** Walnuts, Fresh Or Dried, In Shell  
- **HS Code:** 080231  
- **Destination:** India  
- **Sorted by:** 2019  
- **Order:** Desc

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Marketing Strategies

- Nutritional seminars and cooking demonstrations are resourceful in creating long-term demand and sustainability.
- Direct educational marketing activities concentrate on the pecan health benefits and characteristics.
- Culinary events demonstrate the many applications of how a pecan may be used as an ingredient.
- Tradeshow and trade missions offer an effective and marketing platform to introduce both product and suppliers to qualified buyers, importers, and distributors.
- In-store promotions at well-known retailers are geared towards promoting pecans as a healthy snack to consumers and provide them the opportunity to see and taste the pecan.
- Media outlets generate the ability to reach the Indian population across the country via social media, food magazines, online and printed newspapers, trade journals, and influential food bloggers.

Identify Marketing Constraints: Address lack of awareness and tariff/non-tariff barriers
Overview of Past Marketing Activities

- 2017 Outbound Trade Mission to India (New Delhi and Mumbai)
  - WUSATA- Western U.S. Ag. Trade Association
  - SUSTA- Southern U.S. Ag. Trade Association
  - USDA Foreign Ag. Service, State and Regional Trade Groups
  - Utilize USDA Market Access Program (MAP) Funds.
Overview of Past Marketing Activities

- 2015 WUSATA Outbound Trade Mission to India (Delhi and Mumbai)
- Business-To-Business (B2B)
Overview of Past Marketing Activities

- 2015 WUSATA Outbound Trade Mission to India (Delhi and Mumbai)
- Retail Tours, Market Evaluation
Overview of Past Marketing Activities

- 2015 WUSATA Outbound Trade Mission to India (Delhi and Mumbai)
- Retail Packaging and Merchandizing - Market Evaluation
Overview of Past Marketing Activities

- 2015 WUSATA Outbound Trade Mission to India (Delhi and Mumbai)
- Site Visits - Market Evaluation
Overview of Past Marketing Activities

- 2016 U.S. Pecans
  - Food Hospitality World Show, RECA Show- Culinary and Mixology Competition
  - American Food Fiesta
  - In-Store Chef Demos (Foodhall@ Palladium)
  - In-Store Promotions (Foodhall- Delhi, Mumbai and Bangalore); and, Abitya Birla- Delhi and Haryana
  - Culinary Demos (IFCA- Indian Federation of Culinary Association)
  - Great American Food & Beverage Festival
  - US Independence Day Celebration
  - USDA- Goa American Food Fiesta
  - Media Initiatives
Overview of Past Marketing Activities

- 2017 U.S. Pecans
  - Upper Crust Food & Wine Show w/ Budding Chef Mixology Competition, Mumbai
  - AAHAR- International Food & Hospitality Fair, w/ Bakery Challenge, New Delhi
  - INC, Chennai
  - U.S. Independence Day Celebration
  - USDA Goa Table Top Festival
  - USDA Delhi Delights, Taste of America
  - In-Store Promotions, MORE Hypermarkets
  - Nut Lounge In-Store Promotion
  - Print Media + Social Media
Overview of Past Marketing Activities

- 2018 U.S. Pecans
  - Rose Research - Consumer Research Initiative
  - Tariff reduction strategy
Overview of Past Marketing Activities
Overview of Past Marketing Activities
Overview of Past Marketing Activities
Overview of Past Marketing Activities
Overview of Past Marketing Activities
### Areas of Investigation

#### Consumer
- Awareness of the nut
- User trial
- How they heard about it
- Image of the nut
- Would they like to be able to buy it – and at what price
- What price would compete with

#### Trade
- Purchasing patterns of competitive nuts
- Usage characteristics of competitive nuts
- Purchase frequency / volume of competitive nuts
- Health perceptions of nuts & awareness of specific health benefits (e.g., high in fiber, good source of protein, etc.)
- Marketing strategies that will have a positive effect on sales of pecans
- Amount of money spent on groceries per week/month and how pecans/nuts fit in
- Number of times food shopping takes place per week/month
- Reasons for purchase (motivations) in purchase of nuts
- Awareness of various nuts, ability to name them, number of varieties purchased & preference
- How valuable are nuts in a healthy lifestyle?
- Specific health benefits associated with nuts/pecans
- Perceived versatility of nuts/pecans
- Nutritional value of nuts/pecans
- Quality perception of nuts from various countries/regions
- Taste perceptions of nuts/pecans from various countries/regions

### Areas of Investigation

#### Trade
- Purchase pattern of pecans/competitive nuts
- Image of the pecans/competitive nuts
- Nutritional perceptions of pecans are pervasive in the category
- Competition for pecans

#### Tariff
- Reaction to the 20% tariff on pecans and potential impact it's being to 15%, 9%, etc.
- How much would they like the tariff to be lowered

#### Nuts in General
- Trends in the nut industry
- Future opportunities for pecans/competitive nuts
- What is the sales potential of pecans in India
- Marketing strategies that will have a positive effect on sales of pecans
- Nutritional value of nuts/pecans
- Specific health benefits associated with nuts/pecans
- Perceived versatility of nuts/pecans
- Quality perception of nuts/pecans from various countries/regions
- Taste perceptions of nuts from various countries/regions

### Proposal to Conduct a Tariff Study in India

- Prepared By: Brown & Rose Research
- October, 2016
- 3407 N. Federal Highway, Suite 215
- Boca Raton, FL 33431
- www.rose-research.com
Thank You

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