

Removal of extra import duty on US apples: how it can impact Indian growers

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THE GOVERNMENT has removed a 20% retaliatory duty on apple imports from the US as part of a deal to restore US market access for Indian steel and aluminium products. What can be the impact, including on domestic apple growers?

Will American apples flood the market?

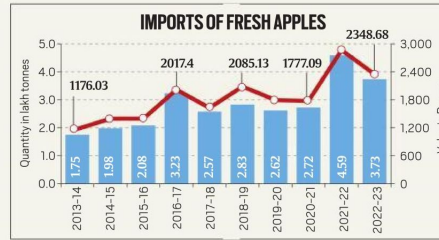
Probably not, for three reasons. First, US apples will continue to attract the 50% import duty that is applicable on all apple imports — it is only the additional 20% duty on American apples imposed on

June 15, 2019 that has been removed.

Second, the retaliatory tariff on US apples has not stopped the growth in India's overall imports of the fruit. One the contrary, total imports have steadily risen from 1.75 lakh tonnes (lt) in 2013-14 (April-March) to 2.83 lt in 2018-19, and further to 4.59 lt and 3.74 lt in the last two financial years.

Third, US apple imports — mostly from Washington state — peaked at 1.28 lt in 2018-19, the year before the additional duty came into force. Regaining those levels may not be easy, especially after having plunged to a low of 4,486 tonnes in 2022-23.

How did India's apple imports continue to grow even after 2018-19?



China was a major exporter to India till 2017-18, even overtaking the US in the previous year. In June 2017, Chinese apple and pear imports were suspended after mealy bug pests were detected in shipments. The beneficiary was the US, which registered a jump in exports until 2018-19.

Post the retaliatory duty, Washington apples lost market share to fruit from Turkey and Iran. These two countries have emerged as the top suppliers to India over the last three years, ahead of other established exporters such as Chile, Italy, and New Zealand.

Can more US imports hurt Indian farmers?

India grew an estimated 24.37 lt of the

fruit in 2021-22; imports, were only 4-4.5 lt. If US apples are going to simply replace apples from Turkey or Italy, it will not result in any significant rise in total imports.

What could have a greater impact is the timing of the decision to scrap the additional duty. Apple harvesting in Jammu and Kashmir and Himachal Pradesh will coincide with that in the US, which could have some impact on price-sentiment ahead of the marketing season. The government has, however, imposed a minimum price of Rs 50 per kg (cost plus insurance plus ocean freight), below which no imports would be allowed.

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