Presentation from the USDA Agricultural Outlook Forum 2017

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DISCLAIMER

- I’m not an Economist
- I’m not a Marketer
- I’m a sales jockey with a LB mentality
- I’ve worked in the WA produce industry for 43 years

I love what I do!
Washington Apple Commission

- Established 1937 to promote Washington apple brand
- Represents approximately 1,450 growers in WA
- Protect WA apple logo
- Develop and implement promotions in over 25 international markets
- Industry exports to 60+ countries worldwide
- USDA MAP program participant
Why India?

India has 53 cities with a population of 1M+.
India’s Importance = Varietal Displacement

**Total Value of Exports**
- 2006/2007: $23,984,953
- 2014/2015: $89,687,031

**Washington Red Delicious Shipments (42# boxes)**
- Total Crop
- Exports
- Domestic

**First Year of Shipments**
- 1999/2000: 19,141 boxes

**India % of Red Del Exports**
- 1999/2000: 0.10%
- 2006/2007: 8.9%
- 2014/15: **21.2%**
Red Delicious: Familiar & Robust

A familiar product: Red Delicious known to Indian consumers.

WA Red Delicious stays fresh in hot & humid temperatures.

Indian Red Delicious

WA Red Delicious
Market Potential

India Apple Production (42# boxes)

Total India Market Size (in 42# boxes)

Northern Hemisphere Imports (in 42# boxes)

- Per capita consumption 2.0 kg – U.S. = 7.6 kg
- Room to grow
- Cold Chain limitations (capacity)
- Distribution Challenges (refrigerated trucks)
India: A Unique Approach

- 15% Modern Retail
- 25% Stand-Alone Retail / Neighborhood Shops
- 60% Roadside Stands

WAC Pathways to consumers:
- POS Materials (Brand Awareness)
- Signage (Importer Support)
- Social Media (50k+ Facebook Fans)
- Cooking demos (High income)
- WAC Roadshow (Geographical expansion)
WAC Roadshow

Focusing on Geographical Expansion

- Target 70 Tier II and III cities
- April-May timeframe (extending the market)
- 232 promotion days (2-3 stops/day)
- 4 million total consumers engaged
- Media Events in 23 cities - $1.1 million PR Value
  - (Press Conference, Lunch, Tea)
Opportunities & Challenges Interwoven

- **High Duty (Barrier to Trade):** $23 CNF x 50% Duty = $34.50 x 3% aggregate duties = $35.54 landed
- **Red Delicious known and robust**
  - Holds up well in hot and humid climate
  - Indian consumers familiar with variety
- **U.S. Reputation for High Quality & Food Safety**
- **Strong US$ versus Rupee**
- **Geography:** huge country, challenging inland distribution and limited cold chain
- **Competition increasing:** China, EU, SH, etc.

![Line graph showing WA Exports to India (42# boxes) from 2000/01 to 2019/20, with a projected line showing an upward trend.](image)
Opportunities & Challenges Interwoven

- **Ocean Transit = 45 days**
  - Food Safety Regulations = ‘Test and Hold’ = can add up to 7 days
- **29 States often operate somewhat independent of Federal Government**
  - More difficult to push back against unfounded PR – wax
  - Easier to implement protectionist measures (Port Closure)
- **22 official languages**
Together we’re Better!

Keith Sunderla! - WAC India

Scott Sindelar Minister Counselor & Ambassador Verma
India
Challenging Opportunities
TODD FRYHOVER
WASHINGTON APPLE COMMISSION