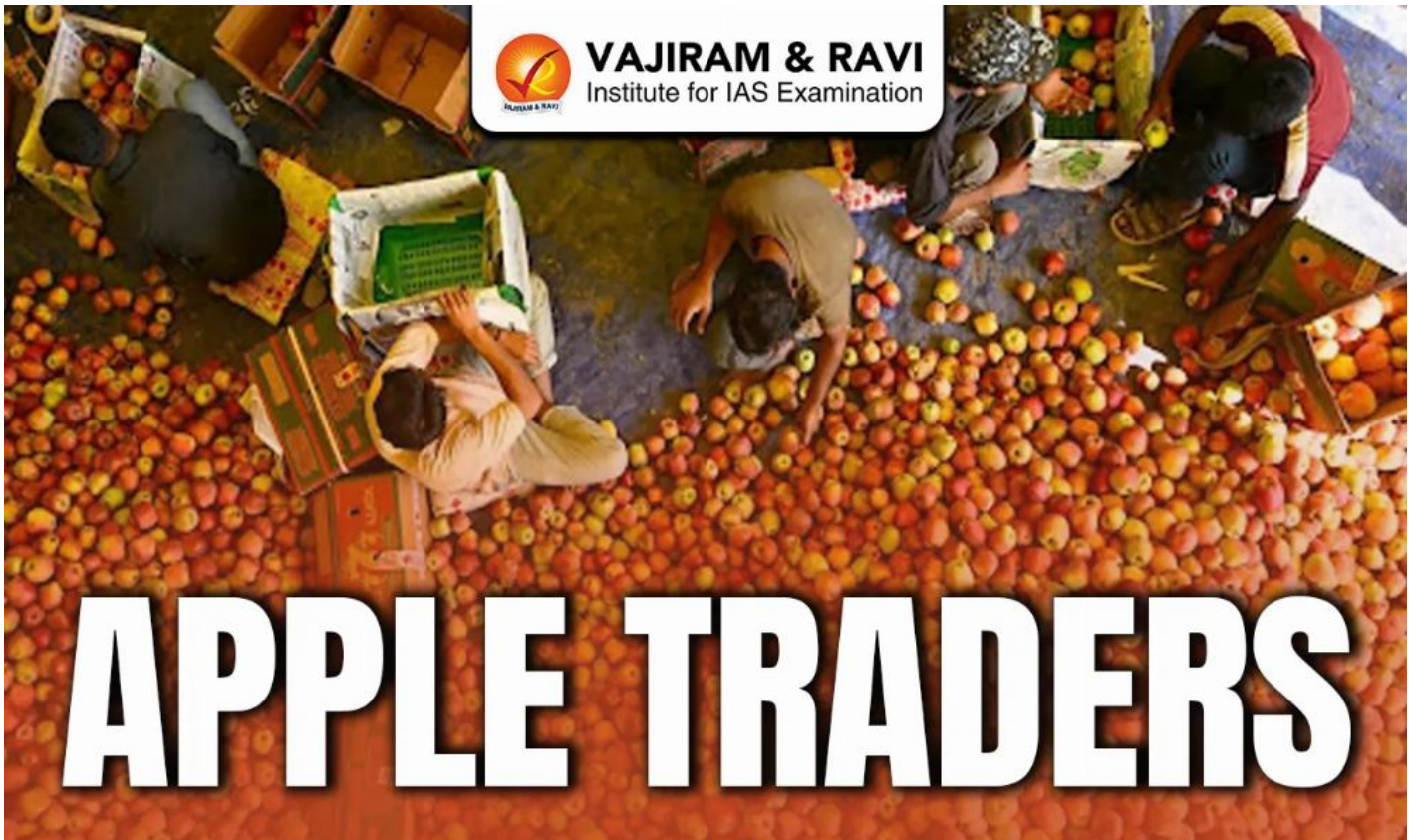


Apple Traders in J&K Are Worried About Recent Trade Deals

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Apple Traders Latest News

- Apple traders and political leaders in Jammu & Kashmir have raised concerns over reduced import duties on U.S. and EU apples under recent trade agreements.

Background of the Trade Decisions

- The controversy arises from India's decision to reduce the basic customs duty on apples imported from the United States from 50% to 25%, while setting a Minimum Import Price (MIP) of Rs. 80 per kilogram.
- Under the India-European Union trade deal, import duty on fresh fruits has been reduced to 20% under a **Tariff Rate Quota (TRQ) system**.
- Initially, 50,000 tonnes of apples per year will be allowed at the reduced rate, with the quota set to increase to 1,00,000 tonnes over the next 10 years.

- Political leaders in J&K, including the Chief Minister and opposition figures, have termed these decisions potentially harmful to the region's horticulture sector.

Importance of Apple Production in J&K

- Apple cultivation is central to Jammu & Kashmir's economy. According to the J&K **Economic Survey 2025-26**:
 - Apple production constitutes 50% of total horticulture output in the region.
 - The horticulture sector generates roughly Rs. 10,000 crore in revenue.
 - Around 35 lakh individuals are directly or indirectly employed in the sector.
 - About seven lakh families depend on horticulture for livelihood.
- In 2024, apple production in J&K stood at 21 lakh metric tonnes. The region contributes more than 70% of India's total apple production, making it the backbone of the country's apple supply.

Structural Challenges Faced by J&K Orchardists

- **Small Landholdings**
 - One major disadvantage is fragmented landholdings. Orchardists in countries such as the U.S., New Zealand, and EU nations operate on average farms of over 50 hectares, while the average orchard size in J&K is just 0.40 hectares.
- **Lower Productivity**
 - Productivity is another challenge. India produces only 7-8 tonnes of apples per hectare, compared to 40-70 tonnes per hectare in countries such as the U.S., Iran, New Zealand, and China.
 - Higher productivity abroad is driven by:
 - Mechanised farming
 - Advanced pruning and harvesting techniques
 - AI-based agricultural systems
 - Better climate conditions
 - Western countries have adopted AI-driven systems for pruning, pollination, harvesting, sorting, and bagging.
- **Variety and Quality Gap**
 - Popular apple varieties such as Gala apples are well-established in Western markets. India introduced the Gala variety only recently, and it has not yet reached optimal quality in terms of yield, colour, taste, and shape.
 - This creates an uneven playing field in quality perception.

Impact on Cold Storage and Off-Season Prices

- Kashmir has heavily invested in controlled-atmosphere cold storage infrastructure to stabilise prices during the off-season.
- Currently, 397.08 lakh metric tonnes of apples are stored in 92 cold storage units in J&K.
- With reduced import duties, fresh apples from countries like New Zealand may enter Indian markets at lower prices.

- This could directly undercut apples stored in cold facilities, destabilising off-season pricing. Traders warn that cheaper imports could:
 - Reduce the profitability of stored apples
 - Make cold storage investments economically unviable
 - Lead to distress sales by farmers
- The concern is that price stability mechanisms built over the years could collapse if imports dominate the market.

Political and Policy Demands

- Political parties and trade bodies in J&K are demanding safeguards.
- They have urged the Centre to re-evaluate the trade agreements and consider excluding apples from the deals. Key demands include:
 - Expansion of high-density apple cultivation (currently limited to 30,000 kanals out of 30 lakh kanals).
 - Interest-free loans under the Holistic Agriculture Development Programme (HADP) to enhance competitiveness.
 - Expansion of controlled-atmosphere storage infrastructure.
 - Activation of dry port projects to improve logistics.
- Leaders argue that without improvements in productivity and quality, local producers will struggle against better-quality imports.

Broader Economic and Policy Implications

- The issue reflects a classic trade-off in international trade policy:
 - Lower tariffs benefit consumers through lower prices.
 - However, domestic producers may face competitive pressure.
- The debate also highlights the need for technological upgradation, farm consolidation, and value-chain modernisation in Indian agriculture.

Source: TH

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