

Dry Fruits – Business Strategy

1. Market Landscape & Growth Potential

Market Size & Projections

- **Current Market Size (2024):** Approximately \$7.5 billion at the retail level.
- **Projected Market Size (2029):** Expected to reach \$12 billion, growing at a CAGR of 18%.

Consumption Trends

- **Per Capita Health Expenditure:** Surpassed 6,500 in 2024, indicating a shift towards health-conscious consumption.
 - **E-commerce Penetration:** Over 50% of dried fruit sales now occur through organized retail channels, including online platforms.
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2. Business Opportunities

Key Segments

- **Premium Retail:** Targeting urban consumers seeking organic and health-focused products.
- **B2B Supply:** Supplying to hotels, restaurants, and catering services.
- **Online Subscription Models:** Offering curated dry fruit boxes for regular consumers.
- **Exports:** Catering to international markets with high demand for quality dry fruits.

Emerging Niches

- **Functional Foods:** Developing products like energy bars and nut-based spreads.
 - **Cultural Fusion Products:** Creating region-specific offerings, e.g., spiced nuts for Indian festivals.
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3. Competitive Landscape

Domestic Players

- **Happilo:** Strong online presence with a focus on premium products.
- **Nutraj:** Wide product range with both online and offline distribution.
- **Farmley:** Innovative flavored SKUs targeting younger demographics.

International Influence

- **U.S. Dominance:** The U.S. supplies 93% of India's almond imports and 84% of pistachio imports.
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4. Import-Export Dynamics

Imports

- **Total Imports (2023):** India imported dry fruits worth \$2.85 billion, making it the world's largest importer.
- **Top Sources:** U.S., Turkey, Afghanistan, Chile, and Italy.

Exports

- **Export Value (2024):** India exported over 6,000 crore worth of dry fruits.
 - **Top Destinations:** UAE, USA, UK, Singapore, and Australia.
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5. Regulatory Framework

Compliance Requirements

- **FSSAI:** Ensures food safety and standards for manufacturing, storage, distribution, sale, and import of food articles.
- **AGMARK:** Certification mark for agricultural products, assuring quality standards.

Taxation

- **GST Rates:** Dry fruits are taxed between 12% to 18%, higher than many other food commodities.
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6. Government Initiatives

PM FME Scheme

- **Objective:** Formalization of micro food processing enterprises.
- **Benefits:** Credit-linked capital subsidy at 35% of the project cost, up to 10 lakh per unit.

National Horticulture Mission

- **Focus:** Promoting cultivation of high-value crops like almonds, cashews, and walnuts.
 - **Allocation:** 2,200 crore in 2023 for dry fruit cultivation and infrastructure development.
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7. Global Case Study

- Blue Diamond Growers (USA)

- **Model:** Farmer cooperative with global export strategy.
- **Strategy:** Heavy investment in R&D for almond varieties, marketing focused on health benefits.
- **Outcome:** Now exports to 90+ countries with retail and institutional presence.

- Learnings for India:

- **Farmer-backed models ensure quality & supply chain control.**
 - **Marketing focused on health, not just tradition.**
 - **Product development with consumer trends in mind (e.g., veganism, keto).**
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8. Challenges & Mitigation

Key Challenges

- **Import Dependency:** India meets 80% of its dry fruit consumption through imports.
- **Price Volatility:** Fluctuations in global prices impact domestic market stability.
- **High Taxation:** Elevated GST and import duties increase consumer prices.

Mitigation Strategies

- **Domestic Cultivation:** Encourage local farming of dry fruits to reduce import reliance.
 - **Policy Advocacy:** Engage with government bodies to rationalize GST and import duties.
 - **Supply Chain Optimization:** Invest in cold storage and efficient logistics to manage price volatility.
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9. GO-TO-MARKET STRATEGY (INDIA)

Phase 1: Setup & Pilot (0–6 months)

- Source premium dry fruits from India & imports
- Launch D2C brand with 10–15 SKUs
- Start selling on Amazon, Flipkart, Jiomart, etc.
- Get FSSAI + AGMARK + Organic/NPOP certificates
- Partner with influencers in health, lifestyle

Phase 2: Expansion (6–18 months)

- Open flagship retail counter in Tier 1 city
- Launch gift boxes & B2B channels (corporate, wedding)
- Begin exports to UAE & Singapore
- Start R&D on nut butters & trail mixes

Phase 3: Brand Domination (18–36 months)

- Launch subscription model & health coaching app
- Collaborate with fitness apps & ayurveda platforms
- Build loyalty program with AR gamification
- Expand to Tier 2 cities + international Amazon

10. Strategic Recommendations

Market Entry

- **Product Diversification:** Offer a range of products, from raw nuts to value-added items like flavored snacks.
- **Digital Presence:** Leverage e-commerce platforms for wider reach.

Scaling Up

- **Brand Building:** Invest in marketing to establish brand identity.
- **Export Expansion:** Explore international markets with high demand for quality dry fruits.

Sustainability

- **Eco-friendly Packaging:** Adopt biodegradable packaging solutions.
- **Community Engagement:** Work with local farmers and communities for sustainable sourcing.