

Indian-US Agricultural Trade Hits Record High Despite Tariff Tensions



Despite a new 50% tariff on Indian goods and a tense trade climate, agricultural commerce between India and the United States is booming, reaching an all-time high. Data from the first six months of 2025 shows a significant surge in two-way farm trade, with both Indian and American agricultural exports setting new records. This unexpected growth highlights a strong commercial relationship that appears, for now, to be withstanding the geopolitical friction.

From January to June 2025, India's imports of agricultural products from the U.S. soared by a remarkable 49.1%, climbing to \$1.69 billion from \$1.13 billion during the same period last year. Simultaneously, India's agricultural exports to the U.S. also saw a robust increase of 24.1%, rising to \$3.47 billion from \$2.79 billion. If these trends continue, analysts project that India's farm exports to the U.S. could top \$7.7 billion for the year, while U.S. agricultural exports to India could exceed \$3.5 billion.

The surge in American exports to India is led by high-value products such as tree nuts, particularly almonds and pistachios, which saw a 42.8% annual growth in the first half of 2025. Other key U.S. exports include ethanol and soybean oil, with exports of the latter seeing a huge jump following India's recent decision to slash its import duty on the product.

On the other side of the ledger, India's top agricultural export to the U.S. continues to be seafood, primarily frozen shrimp. Other successful exports include spices, essential oils, and basmati rice, each with shipments valued at over \$200 million.

This booming trade in agriculture stands in stark contrast to the broader trade standoff between the two countries, which is complicated by India's refusal to provide duty concessions for American agricultural and genetically modified (GM) products. These "red lines" are viewed by India as essential for protecting its vast population of small and subsistence farmers. Prime Minister Narendra Modi recently affirmed this stance, stating that India would not compromise on the interests of its farmers, even if it had to pay a "heavy price." The current surge in agricultural trade demonstrates a unique resilience within this sector, even as overall relations face significant headwinds.