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US Pushes Hard as India Holds Firm on Dairy and Farm Trade

June 30, 2025

— Categories: Finance



New Delhi – June 30, 2025 – India has made it clear that its agriculture and dairy sectors are non-negotiable in ongoing trade talks with the United States as a key deadline approaches.

In an interview with The Financial Express published on Monday, Finance Minister Nirmala Sitharaman said these two areas are “big red lines” for India and will not be opened up under pressure.

“We cannot compromise the interests of our farmers and rural communities,” Sitharaman stated. “These sectors are essential to India’s economy and social fabric.”

The U.S. has been pushing for more access to India’s large dairy market, arguing that American dairy products meet international standards and offer consumers more choices. However, Indian officials have raised concerns about religious sensitivities and the impact on small farmers who depend heavily on local dairy cooperatives.

More than 80 million households in India are involved in dairy production, most of them small-scale producers. Groups like Amul dominate the local market, and experts warn that large-scale U.S. imports could seriously disrupt this system.

“This is not just a trade issue,” said Dr. Meena Desai, an agricultural policy expert. “It’s about protecting livelihoods and food security for millions of people.”

The trade talks are part of a broader negotiation aimed at avoiding a new round of reciprocal tariffs. U.S. President Donald Trump has set a deadline of July 9 for the two countries to reach an agreement or face new duties on each other’s goods.

While progress has been made in areas like pharmaceuticals, electronics, and digital trade, agriculture remains a key obstacle. India insists that any agreement must be fair and balanced and must respect domestic priorities.

“India supports free and fair trade,” Sitharaman said. “But we also have to protect sectors that are vital to our people.”

The outcome of these talks is being closely watched by businesses and policymakers around the world. A successful deal could strengthen the strategic partnership between the two countries. A failure, however, could lead to new trade tensions.

With the deadline just days away, all eyes are on negotiators in New Delhi and Washington to see if common ground can be found