

# India-US Rice Trade: Why Trump's 'Dumping' Claim Doesn't Add Up

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## India-US Rice Trade Latest News

- US President Donald Trump recently alleged that India is “dumping” rice in the US and hurting American farmers, vowing to fix the issue with tariffs. However, trade data contradicts this claim.
- The US is not a major rice producer and actually exports more rice than it imports. In 2024-25, US production was only 7.05 million tonnes—far below India’s 150 million tonnes—yet the US still exported 3 million tonnes while importing 1.6 million tonnes.
- In value terms, the US imported \$1.5 billion worth of rice in 2024, mainly from Thailand, while imports from India were much smaller.
- The data shows India’s rice exports to the US are limited, and the US is far from being flooded with Indian rice.

## India’s Dominance in Global Rice Exports

- India remained the world's leading rice exporter in 2024–25, shipping 198.65 lakh tonnes (19.86 million tonnes) of rice across multiple categories — basmati, parboiled, non-basmati white, broken and other varieties.
- In value terms, exports exceeded \$12.95 billion, reinforcing India's position as the top global supplier, controlling around 40% of international rice trade.
- Strong monsoons, competitive pricing and the removal of export restrictions on non-basmati rice boosted the sector.
- India produced **150 million tonnes** of rice in 2024–25, accounting for 28% of global output, with yields increasing from 2.72 t/ha (2014–15) to 3.2 t/ha (2024–25) due to better seeds, agronomy and irrigation.
- India currently supplies rice to over **172 countries**, and aims to expand exports to 26 additional markets, including the Philippines, Indonesia, the UK, and Mexico, according to APEDA.

## U.S. Threatens Tariffs on Indian Rice

- Days before U.S. negotiators arrive in New Delhi, President Donald Trump suggested new tariffs on Indian rice, claiming India was “dumping” rice in the U.S.
- However, experts say the move appears aimed at pleasing U.S. farmers rather than reflecting genuine trade concerns.

## US Rice Imports: Mostly Premium, Not Low-Value Dumping

- The US does not import cheap, low-value rice from India or Thailand. Instead, it buys premium aromatic varieties such as **Thai Hom Mali, Jasmine, and Indian basmati**—priced much higher than US-exported rice.
- These imported varieties cost between \$690 and \$1,125 per tonne, compared to \$560–\$675 per tonne for typical US export rice.
- Since the US exports more rice than it imports, and its imports consist mainly of high-value specialty rice, claims of India “dumping” cheap rice in the American market do not hold.

## Impact of Potential New Tariffs on India's Rice Exports

- India is the world's biggest rice exporter, shipping 22.5–25 million tonnes annually. In comparison, the US is a very small buyer of Indian rice.

## US Share in Indian Exports Is Tiny

- Basmati exports (2024–25):
  - Total: 60.65 lakh tonnes
  - To the US: 2.74 lakh tonnes ( $\approx 4.5\%$ )
- Non-basmati exports:
  - Total: 141.30 lakh tonnes
  - To the US: 0.61 lakh tonnes ( $\approx 0.4\%$ )
- This trend continues in the current fiscal year as well: the US takes only 1–2% of India's rice shipments.

## Bigger Markets Lie Elsewhere

- **Basmati:** West Asia dominates — Saudi Arabia, Iran, Iraq, UAE.
  - In the US, basmati sales are controlled by a few Indian companies like LT Foods, whose “Royal” brand holds 55% of the North American market.
- **Non-basmati:** Africa is the main buyer — Benin, Togo, Côte d’Ivoire, Liberia, Senegal, etc.
  - The US is almost irrelevant for this category.

## Tariff Impact: Minimal to Negligible

- Even if Donald Trump imposes new tariffs, the effect on India will be small because:
  - The US is not a major rice market for India.
  - Indian exporters are not dependent on the US for volumes or revenue.
  - Other export items (shrimps, jewellery, garments) would feel tariffs much more than rice.
- Experts believe that the proposed tariff would backfire on the US as:
  - Tariffs would barely affect India, which has strong global markets. But they would raise rice prices for U.S. households, hurting consumers.
  - The threat looks like election-season messaging to American farmers, not a policy shift.

Source: **IE** | **TH** | **ET**

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