



The Trump Tariffs and Indian Agriculture

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2025 may well be written in the annals of global trade as the year in which protectionism surged back in a big way — and in which Indian agriculture found itself caught in an unexpected storm. The sweeping reciprocal tariffs announced by United States President Donald Trump on Indian imports threaten the economic prospects of farmers, food processing units, and agricultural export hubs across India. India's agricultural exports to the United States include basmati rice, spices, marine products, dairy products, and a range of processed food items. For 2024–25, these exports were valued at around USD 5.81 billion, covering 1.52 million metric tonnes of goods.

The trade relationship between India and the United States has been under strain from early 2025. Trump called India a “tariff king.” In July 2025, he announced that the United States would impose a 25 per cent tariff on Indian goods from August 1. By August 2025, he further raised tariffs to 50 per cent citing India's purchase of crude oil and military equipment from Russia as the reason.

Trump's effort has been to dump the surplus production of dairy products, soybean, corn, and wheat in the United States on the Indian market, thus undermining India's hard-won self-sufficiency in many of these commodities and displacing millions of small producers. India has recently adopted an official policy of achieving self-sufficiency in the production of oilseeds. Lowering tariffs to accommodate American soybean exports would jeopardize this goal entirely and make the country dependent on volatile international markets and vulnerable to price shocks.

Trump's characterisation of India as a “tariff king” reflects either a misunderstanding or a deliberate misrepresentation of the realities facing Indian agriculture. Indian tariffs on agricultural imports are carefully structured to protect millions of small and marginal farmers, ensuring their survival in a highly imbalanced global market. By

contrast, American tariffs are designed to defend large, heavily subsidised agribusinesses, perpetuating an uneven playing field.

The actions of the Trump administration cannot purely be seen from an “economic” perspective; its motivation and impacts spill over into geopolitics and are symbolic of the larger crisis of global capitalism in recent decades. As is well known, the global economic landscape underwent profound changes with the establishment of the World Trade Organisation (WTO) and the drive towards free trade. India, as a developing country with a vast agrarian base, was at the centre of these transformations. The promise of liberalisation was that Indian agriculture would flourish by gaining access to international markets, thereby boosting farmer incomes and rural prosperity. Reality, however, proved more complex and, in many ways, detrimental to the interests of Indian farmers.

While free trade was projected as a pathway to economic development, its implementation exposed the many biases, complexities, and disparities of the global trade system. Developed countries, including those in the West, maintained substantial tariff and non-tariff protections for their own agricultural sectors, effectively shielding their farmers from global competition. In contrast, developing countries like India faced intense pressure from international agencies and Western powers to dismantle barriers to free trade. This asymmetry allowed a flood of cheap, subsidised agricultural imports into Indian markets, leading to a drastic fall in the prices of many crops grown by Indian farmers.

The consequences for Indian agriculture were severe. The removal of state support and a lack of bargaining power left Indian farmers vulnerable to global price fluctuations. Rising input costs and declining real incomes became the norm, undermining the livelihoods of millions of small and marginal farmers who constitute the backbone of India’s rural economy.

Yet, in recent years, Western nations have tended to move away from the multilateral framework of the WTO, opting instead for bilateral and regional trade agreements. These deals represent a strategic shift, aimed at extracting greater concessions from developing countries such as India. To begin with, such a shift reflects the deepening contradictions within global capitalism, particularly in its neoliberal phase, where dominant powers seek to maintain economic supremacy amid growing resistance from emerging economies. But equally importantly, the failed Doha Development Round of the WTO has exposed the inability of imperialist states to enforce a uniform free trade regime on the Global South. As a result, powerful nations bypassed the WTO, and advanced new agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), along with various bilateral free trade deals led by the United States, the United Kingdom, and the European Union.

These bilateral and regional agreements often contain provisions that serve the interests of multinational corporations and monopoly capital. Stricter intellectual property rights, investor-state dispute mechanisms, and expanded market access for seeds, dairy, and processed foods are common features. Such clauses favour large agribusinesses and global capital, while exacerbating the marginalisation of workers and developing nations.

The imposition of reciprocal tariffs by the United States under President Donald Trump must be viewed within this broader context of global trade dynamics. Far from being isolated measures, these tariffs are part of a coordinated strategy by Western powers to maintain their economic dominance. By forcing open markets in developing countries and undermining local production, Western nations and multinational agribusinesses aim to capture new markets and maximise profits.

Peasant organisations, activists, and progressive political forces have called for a re-evaluation of trade policies to protect the interests of Indian farmers and workers. They argue that despite public assurances, successive governments have facilitated deeper integration of Indian agriculture into unequal global trade structures, enabling seed monopolies and finalising agreements that risk flooding Indian markets with cheap agricultural imports. They advocate the restoration of state support, the strengthening of public procurement systems, and resistance to the pressures of global capital. The struggle for food security and rural livelihoods remains central to the broader movement against neoliberal trade regimes.

A sustainable future for Indian agriculture depends on resisting unequal trade agreements, strengthening domestic production systems, and ensuring that the voices of farmers and workers are central to policymaking. As India navigates the complexities of global trade, the lessons of recent decades underscore the need for vigilance, solidarity, and an unwavering commitment to rural welfare and food security.