

Explained: India's rising farm exports

India exports more farm produce than it imports. While merchandise exports are flat, if not declining, agri exports are set to touch a new high this year. A lot, however, hinges on the Trump tariffs going forward

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India exported goods valued at \$437.4 billion during 2024-25, which was 0.1% higher than the \$437.1 billion in the previous financial year ended March 31, 2025.

During April-June 2025, total exports, at \$112 billion, were 1.7% up over the \$110.1 billion for

April-June 2024.

Union Commerce Minister [Piyush Goyal](#), on Friday, said he was “quite confident that India will do more exports this [fiscal] year than last year”. This was notwithstanding the likely disruptions to global trade from US President [Donald Trump](#)’s tariff attacks, including the slapping of a 50% duty on Indian goods.

What’s interesting, though, is the performance of India’s agricultural produce exports. These registered 6.4% growth, from \$48.8 billion in 2023-24 to \$51.9 billion in 2024-25. The first three months of this fiscal have posted a further 5.8% year-on-year increase over April-June 2024.

If trends hold, farm exports could even touch \$55 billion in 2025-26, crossing the previous record of \$53.2 billion in 2022-23. Contrast that with the country’s overall merchandise exports, which has witnessed virtually flat growth and with the 2022-23 peak of \$451.1 billion unlikely to be crossed this fiscal.

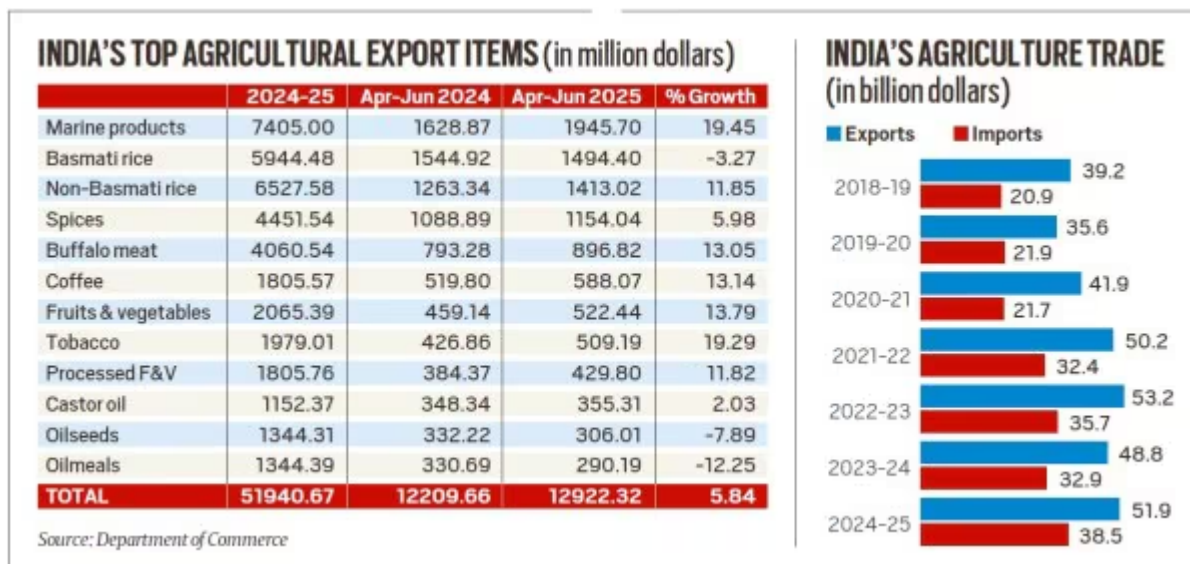
This newspaper had reported last week that India’s agricultural exports to even the United States have been buoyant, growing by 24.1% in January-June 2025 over January-June 2024.

What is driving farm exports?

Between 2003-04 and 2013-14, India’s exports of farm produce soared from a mere \$7.5 billion to \$43.3 billion.

It fell thereafter till 2020-21 and then picked up to hit an all-time-high of \$53.2 billion in 2022-23. The latter came on the back of a recovery in global agri-commodity prices: The UN Food and Agriculture Organization’s food price index (base year: 2014-16=100) rose from an average of 96.4 points in 2019-20 to 140.6 points in 2022-23.

The decline in 2023-24 was largely attributable to it being a drought year and the [Narendra Modi](#)-led government banning or restricting shipments of a host of commodities — from wheat, rice and sugar to onion — in response to rising domestic food [inflation](#).



Those curbs have been gradually relaxed, with an easing of inflationary pressures owing to a monsoon-aided agricultural production rebound in 2024-25. A second consecutive above-normal monsoon this year should enable the government to also lift the export restrictions on sugar. India's net exports of the sweetener collapsed from \$5.5 billion in 2022-23 to \$771.3 million in 2024-25.

Almost all major export items have recorded impressive growth during the first quarter of this fiscal: Marine products, non-basmati rice, buffalo meat, coffee, tobacco and fruits & vegetables, both fresh and processed.

Indian coffee exporters have benefitted from global ending stocks for 2024-25 depleting to their lowest since 1999-2000, mainly courtesy of subpar crops in Brazil and Vietnam, the world's biggest producers of arabica and robusta varieties respectively. India mostly exports robusta beans and powder used in instant coffee and espresso blends. Tobacco exports have similarly got a boost from output shortfalls in Brazil and Zimbabwe.

The coming months may well see exports come under pressure, especially due to Trump's 50% prospective tariffs on Indian goods from August 27. The maximum impact of it would be on marine products, where the US has a 35% share in India's exports. In some products such as frozen shrimps and prawns, more than \$1.9 billion out of the \$4.5 billion worth of exports in 2024-25 went to the US.

The US has clamped a 50% import duty on goods imports from Brazil too. The US accounted for some \$2.1 billion out of Brazil's overall coffee exports of \$12.3 billion in 2024. If Trump does not exempt coffee from his 50% tariff, that exportable surplus may then find its way to other markets, depressing prices and, in turn, hurt Indian shipments.

What are the import trends?

India exports more farm produce than it imports.

While the country had an overall deficit of \$282.8 billion in its overall merchandise trade account during 2024-25 (as imports, at \$720.2 billion, exceeded exports of \$437.4 billion), it was the other way for agriculture. In its case, there was a surplus of \$13.4 billion, from exports (\$51.9 billion) being higher than imports (\$38.5 billion).

India's top Agricultural Import items (in million dollars)

	2024-25	Apr-Jun 2024	Apr-Jun 2025	% Growth
Vegetable Oils	17333.14	4215.20	4280.95	1.56
Pulses	5477.28	1148.58	584.35	-49.12
Fresh Fruits	3043.70	672.28	736.65	9.57
Cashew	1669.43	319.29	621.02	94.50
Spices	1625.42	344.11	383.50	11.45
Alcoholic Beverage	1115.51	286.07	274.34	-4.10
Raw cotton	1219.32	152.01	262.92	72.97
Natural Rubber	1069.05	205.71	247.76	20.44
TOTAL	38509.32	8715.76	8702.19	-0.16

Source: Department of Commerce.

However, the agricultural trade surplus has more than halved from \$27.7 billion in 2013-14. The reason: imports going up at a faster pace than exports.

Unlike exports, farm imports are limited to a few commodities. More than two-thirds of the value of imports in 2024-25 were from vegetable oils, pulses and fresh fruits. Fresh fruits included almonds, pistachios, walnuts and other tree nuts (worth \$1.7 billion, out of which \$1.1 billion was from the US), in addition to apples, grapes/raisins, kiwis, figs, pears and dates.

India's pulses imports scaled a new high of 7.3 million tonnes, valued at \$5.5 billion last fiscal. This came as the Centre slashed import duties, in the wake of the El Niño- drought of 2023-24 whose effects extended up to the end of 2024. Imports of pulses have been smaller this year, thanks to a bumper domestic crop.

On the other hand, imports of vegetable oils — basically palm, soyabean and sunflower — go up, with domestic production unable to match increasing demand. A similar trend is visible in cotton and natural rubber: Their production has actually dipped from their highs reached in

2013-14 and 2012-13 respectively, forcing more imports to meet domestic consumption requirements.

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