

# Shrimp, seafood, agri exports set to lose price advantage

Vijay C. Roy

vijay.roy@livemint.com

NEW DELHI

India's shrimp, basmati rice, and buffalo meat exports to the US—a trade worth billions—are in jeopardy as President Donald Trump slapped a 27% 'reciprocal tariff' on Indian imports. The move could erode India's price advantage, disrupt supply chains, and open the door for rival exporters from Vietnam, Thailand, and South America.

The US is India's top market for agricultural goods, with bilateral farm trade totalling \$6.6 billion in 2024. India exported \$5 billion worth of agricultural products, while imports stood at \$1.5 billion.

With tariffs coming into force, exporters warn that they could hit key agricultural exports, particularly basmati and non-basmati rice, shrimp, wheat, and buffalo meat, which together account for 46% of India's farm trade with the US.

The White House fact sheet outlines that in addition to the 27% tariff

on Indian imports, a 10% tariff on all imports will take effect on 5 April. By 9 April, countries with the largest trade deficits with the US will face even steeper 'reciprocal tariffs.'

According to a February report by the Global Trade Research Initiative (GTRI), the hardest-hit segment will be fish, meat, and processed seafood, worth \$2.58 billion, facing a 27.83% tariff differential.

Shrimp—India's largest seafood export to the US—will struggle to remain competitive, ceding market share to rival suppliers from Ecuador.

**As per a report by GTRI, the hardest-hit segment will be fish, processed seafood, meat facing a 27.83% tariff differential**



Basmati and non-basmati rice, shrimp, wheat, and buffalo meat, together account for 46% of India's farm trade with the US. MINT

"This is not only detrimental to India but also farmers, fisherman and exporters. Currently, Indian exporters are subjected to around 7% duty including countervailing duty and anti-dumping duty," said Pawan Kumar, president, Seafood Exporters Association of India. "Once the increase in tariff is in place which is from 9 April, (Indian) exporters would be subjected to 33% tariff, which will make us un-competitive in the US market."

Manish Pushkania, managing director of Kolkata-based ZA Seafoods, said, "Since we are subjected to countervailing duty and anti-dumping duty, we are still unclear whether the new tariff will replace both the duties or be an additional one. In any case, we stand to lose and countries like Ecuador, which enjoys a tariff of 10%, stand to gain."

Basmati rice exporters are also bracing for impact. The US is among the key buyers of Indian basmati, with exports totalling about 2.7 lakh tonnes in FY24, valued at around \$300 million, according to the Minis-

try of Commerce. While it's a fraction of India's total basmati exports—5.24 million tonnes worth \$5.84 billion—the US remains an important market alongside Saudi Arabia, Iran, Iraq, the United Arab Emirates, and Yemen.

"As far as our business is concerned, from a consumption standpoint, we expect minimal impact—at least within the diaspora. Historically, inflation hasn't significantly affected their demand. That said, it's too early to gauge the full extent of these tariffs," said Ashwani Arora, managing director and CEO, LT Foods Ltd, the owner of Daawat brand. Price hikes will be inevitable, he said.

Processed foods, sugar, and cocoa exports, valued at \$1.03 billion, will also face a 24.99% tariff hike, making Indian snacks and confectionery less attractive to US buyers. Cereals, vegetables, fruits, and spices, worth \$1.91 billion, will see a 5.72% tariff differential, directly affecting shipments of rice and spices. Dairy products, a smaller but significant segment at \$181.49 million, will be hit with a 38.23% tariff hike.

Suneera Tandon contributed to the story

For an extended version of this story, go to [livemint.com](https://livemint.com)