



# Mkt access vs mass survival: India, US have unequal fields

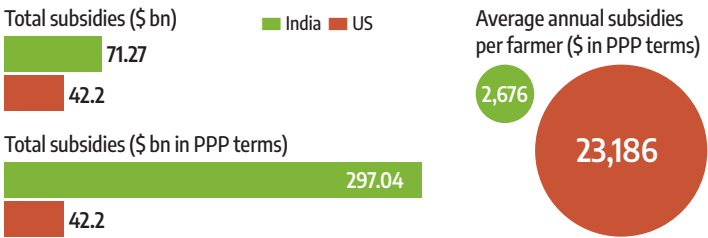
United States (US) President Donald Trump announced imports from India would face a 25 per cent tariff over the existing most-favoured-nation rates, citing India’s high trade barriers and “strenuous and obnoxious” non-monetary restrictions. This move is seen as a pressure tactic to force India into signing a bilateral trade agreement (BTA). However, one of the major bones of contention in the BTA negotiations is agriculture. The US is demanding greater access to Indian agri markets. In the US, farmers

receive direct income payments. In India, support is largely through subsidised inputs, public procurement, and food distribution schemes — offering basic price protection, but few income guarantees. India has also been providing direct income support through schemes such as PM-KISAN Samman Nidhi, and various similar schemes in the states. India’s average agricultural tariff — 39 per cent — third highest globally, isn’t whimsical. It might be essential.

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## India lags in total subsidy per farmer in PPP terms

On purchasing power parity (PPP) terms, India’s total subsidy per farmer is nearly 9 times lower than in the US. Of the \$297 billion India spends, each farmer (annual average) gets \$2,676, far below the US’ \$23,186. Of this, just \$290 per farmer comes as direct income support through PM-KISAN



Source: India Budget, state Budgets, PRS legislative, US Department of Agriculture, *Business Standard* calculations

Note: FY26 has been considered for India and it’s 2025 for the US. India’s subsidy estimates include food subsidies, fertiliser subsidies, crop insurance, agricultural loans, and power subsidies. While power subsidies are provided by states, data was available for only 17 states. Hence, the total subsidy figure may be slightly underestimated

## Tariff tussle

India has consistently maintained higher applied tariffs on agricultural products compared to the US

The average applied MFN tariff on agri products and all products of India and the US (in %)

Year	India		US	
	All products	Agri products	All products	Agri products
2014	13.7	33.4	3.5	5.1
2015	13.4	32.7	3.5	5.2
2016	13.4	32.7	3.5	5.2
2017	13.8	32.8	3.4	5.3
2018	17.1	38.8	3.4	5.3
2019	17.6	38.8	3.3	4.7
2020	15	34	4.6	5.1
2021	18.3	39.2	3.4	5.2
2022	18.1	39.6	3.3	5.1
2023	17	39	3.3	5

Source: WTO’s World Tariff Profile Reports