High tariffs on farm goods breed inefficiency: Study

Hike in US tariffs may TARIFF TANTRUMS impact India's shrimp and rice exports

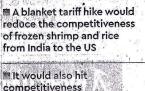
SANDIP DAS New Delhi, February 27

HIGHER IMPORT TARIFFS breed inefficiencies and expose Indian agricultural products' exports to reciprocal tariffs by the United States, a study by ICRIER said on Thursday.

"If the US enforces tit-for-tat tariffs, Indian agriculture will face challenges at three levels - country-level, product-level competitiveness loss, and increased nontariff barriers," a paper titled 'Trump's tariff threat: likely impact on India's agriculture trade, by ICRIER has stated.

A blanket tariff hike would reduce the competitiveness of frozen shrimp and rice from India to the US.

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entering duty-free, while semimilled and wholly-milled rice face 11.2% tariff.

"A blanket tariff hike would reduce the competitiveness of these exports, against competitors like Vietnam, Thailand, and Indonesia," the study has noted.

It stated that India has initi-If the United States imple- ated steps to reduce certain tariffs 100% in non-agri products with the US.

India has initiated steps to bourbon whisky from 150% to 100% in non-agin products

> India imposes "significantly higher tariffs" than the US, particularly in agriculture where it imposes a simple average tariff of 39%

"On similar lines, tariff concessions are to be selectively applied to agricultural products facing high tariff differentials, such as food preparations (currently at 150%), walnut (100%) dairy products- cheese and SMP (30-60%), and cut chicken legs

simple average tariff of 39% and a the US. trade-weighted tariff of 65%, compared to the US' 5% and tariff protection, India must focus 4%, respectively.

follow a similar pattern, with India ernising its agricultural value imposing a 13.5% simple average. and a 9% trade-weighted tariff, compared to the US' 3.1% and 2.1%, respectively.

"These figures suggest that India's trade policies safeguard domestic agriculture, whereas the US follows a more liberalised approach," according to the study. India has reduced import duties on Washington apples, from 50% to 15%, signalling the concessions on horticulture products, it stated.

The study has suggested that on similar lines, selective tariff reductions on outlier categories,* especially food preparation (150%), walnuts (100%), cut chicken legs (100%), dairy products, particularly cheese and skimmed milk powder, could have a phased reduction from 30% and 60%, respectively and could encourage teciprocal market nology, precision farming, and effi-

It suggested that instead of on right instruments such as Non-agricultural tariffs also, enhancing productivity and modchains to remain globally competitive in agricultural produce", the paper noted.

It has proposed expanding cold storage capacity, upgrading logistics infrastructure, and ensuring better quality certification and traceability to boost the export potential of India' agricultural products.

It stated that even with these tariffs. India has a growing trade surplus of \$3.46 billion in agri-products for 2023-24 with the US, the country's largest trading partner.

Increased investment in research and development for high-yielding crops, mechanisation, and improved irrigation techniques are steps in the right direction, the paper observed. "Yield gaps in key commodities in comparison to global standards must be addressed through seed techaccess for Indian products in cient fertiliser use," it noted.

(100%)," according the study. According to ICRIER, India

imposes "significantly higher tariffs" than the US, particularly in agriculture where it imposes a