

India remains key supplier as IREF counters claims on U.S. rice market dynamics

09 December 2025 | News

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In response to the recent statement by the President of the United States regarding Indian rice, the Indian Rice Exporters Federation (IREF) wishes to clarify the facts around Indo-U.S. rice trade and market dynamics.

During the financial year 2024-2025, India exported Basmati rice worth \$337.10 million to the United States, amounting to 274,213.14 metric tonnes (MT). This places the U.S. as the 4th largest market for Indian Basmati rice. In the same period, India exported non-Basmati rice valued at \$54.64 million, totalling 61,341.54 MT, making the U.S. the 24th largest market for Indian non-Basmati rice.

Indian rice in the U.S. is predominantly consumed by communities of Gulf and sub-continent ethnicity, and demand continues to expand steadily. This growth is closely linked to the rising popularity of Indian cuisine, particularly dishes such as biryani, where Basmati rice is an essential ingredient and not easily replaceable.

Exports to the United States remain strictly demand-driven, with most shipments executed against advance purchase orders from U.S.-based importers. Importantly, rice grown in the U.S. is not a like-for-like substitute for Indian rice. Indian Basmati has a distinct aroma, elongation, texture, and flavour profile, and U.S.-grown varieties generally do not meet the requirements of traditional dishes from the Gulf and South Asian regions.

Before the recent tariff increase, Indian rice faced a tariff of 10 per cent in the U.S. market. With the imposition of a 50 per cent tariff, the duty has risen by 40 percentage points. Despite this sharp hike, exports have continued, reflecting the product's essential nature in the consumer basket. Evidence from retail markets indicates that most of the tariff burden has been passed on to U.S. consumers, as reflected in higher retail pack prices, while export realisations for Indian farmers and exporters have remained broadly stable.

“The Indian rice export industry is resilient and globally competitive,” said Dev Garg, Vice President, Indian Rice Exporters Federation. “While the U.S. is an important destination, India’s rice exports are well-diversified across global markets. The Federation, in close coordination with the Government of India, continues to deepen existing trade partnerships and open new markets for Indian rice.”

IREF reiterates that U.S. rice trade is rooted in consumer preference, cultural food habits, and market demand, and India remains a reliable supplier of premium quality rice to the world.