

Indian Rice Exports Remain Resilient Despite High Duties, Says IREF

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The Indian Rice Exporters Federation (IREF), through Dr Prem Garg, National President, would like to clarify the potential impact of the new tariff on Indian-made goods may be subject to an 18 per cent tariff, compared with the earlier 25 per cent rate. The trade is also expecting that, in view of public statements by US authorities, the additional penalty being discussed in relation to India's purchase of Russian oil may be waived. If confirmed, this would effectively reduce India's tariff burden to 18 per cent, restoring parity with key competing origins such as Thailand and Pakistan, where competitor nations are currently tariffed at around 18 per cent.

The Federation welcomes this move and notes a wave of positive sentiment across the rice export industry, as tariff parity is expected.

IREF views this as a meaningful positive for Indian rice exports at a time when India is entering the season with record production of a record 110 million tonnes.

Notably, India's rice exports to the United States rose despite a steep increase in duty, from 10 per cent initially to 50 per cent, underscoring that Indian rice remains essential for buyers and consumers. This trend reinforces the Federation's view that India's rice remains a key player in the global market.

A tariff reset would improve landed-price competitiveness and support stronger offtake across both basmati and non-basmati categories, enabling India to defend and expand market share in the United States while competing more effectively against other major exporters.

Separately, there have been questions on whether an additional tariff could be imposed in connection with India's trade with Iran. The Federation remains committed to ensuring a level playing field for all exporters.

Dev Garg, Vice President, says that the Federation will continue engaging with stakeholders to ensure exporters are prepared for any eventuality in the global trade environment. The Federation's primary focus remains on ensuring that Indian rice exports remain competitive and resilient in the face of global market challenges.