Modi govt hails India-US trade deal, opposition cries foul over 'surrender' of agricultural sector

PM Modi and US President Donald Trump announced that tariffs on Indian commodities would be reduced to 18%. Earlier Trump had announced 25% tariffs on Indian commodities and an additional 25% for purchase of Russian oil.

Tridivesh Singh Maini

Updated : Feb 10, 2026

The last week has witnessed intense debate on the framework for an ‘interim agreement’ between India and the US trade and the joint statement pertaining to the same.

On February 2 2026 after a telephone conversation between PM Modi and US President Donald Trump announced that tariffs on Indian commodities would be reduced to 18%. Earlier Trump had announced 25% tariffs on Indian commodities and an additional 25% for purchase of Russian oil.

'Wonderful to speak with my dear friend President Trump today. Delighted that Made in India products will now have a reduced tariff of 18 per cent. Big thanks to President Trump on behalf of the 1.4 billion people of India for this wonderful announcement,' Said PM Modi.

PM Modi also highlighted the importance of India-US cooperation and Donald Trump's role in global peace.

This announcement comes days after finalising the India-EU FTA which was dubbed as the 'Mother of all deals'. Recently, EU-US ties have witnessed a downward spiral while India-US ties have also been. Apart from trade issues, Donald Trump's repeated statements where he has repeatedly referred to his role in stopping the India-Pakistan conflict in May 2025 have resulted in a downward spiral in bilateral ties.

Debate regarding some of the provisions of the framework for an "interim agreement"

While the deal has been hailed by the Modi government, there are still some areas where not just the opposition but experts and analysts have expressed their scepticism. The first is regarding India's purchase of Russian oil. An executive order signed by Trump on February 6, 2026 said:

'India has committed to stop directly or indirectly importing Russian Federation oil,'

The executive order of the Trump administration also said that the 25% tariff on India for purchase of Russian oil was withdrawn from February 7, 2026 and that India had agreed to purchase energy products from the US.

While reducing Russian oil imports and diversifying energy sources by itself makes sense, there is also a clear reference to the US monitoring India's oil imports, this has resulted in several analysts and commentators pointing to possible impingement upon India's strategic autonomy The executive order also states, that if India resumes purchase of Russian oil, then tariffs could be re-imposed upon India.

The second question is regarding opening the Indian market to US agricultural commodities which may impact the agricultural sector. Agriculture is a very sensitive issue not just India. While Commerce Minister Piyush Goyal categorically stated that sensitive agricultural products have been given protection. These include:genetically modified (GM) products, meat, poultry, dairy, soybean, maize, rice, wheat, sugar, millets,chickpea, moong, and oilseeds, green pea and fruits such as banana.

Said Goyal, 'This India-US agreement does not harm the interests of India's farmers, MSMEs, or the handloom and handicraft sectors in any way,'

Reservations of farmer organisations

Farmer organisations, including SKM, its non-political breakaway faction and the All-India Kisan Sabha AIKS, have criticised the India-US trade deal and stated that protests will be held against the same. While the Samyukt Kisan Morcha (SKM) alleged that the interim trade agreement framework between India and the United States was a 'total surrender' of Indian agriculture. The AIKSleader Krishna Prasad also said the trade deal will negatively impact India's agriculture sector by opening the market for US agricultural commodities.

Farmer organisations, political parties and experts have also flagged the fact that US agriculture is heavily subsidized – the 2024 US Farm Bill allocates USD 1.5 trillion. There is also a concern regarding the possible removal of non-tariff barriers on several US food and agricultural products.

Criticism from the opposition

Several opposition leaders have questioned this deal from an economic and strategic stand point and accused the government of kowtowing before the US. Senior Congress leader and Former Finance Minister, P Chidambaram while commenting on the framework for an interim agreement said:

'One thing is clear: The framework deal is heavily tilted in favour of the US and the asymmetry is obvious,'

Need for a balanced approach

Here it would be pertinent to point out, that while some of the questions pertaining to the trade deal are perfectly legitimate, nothing is cast in stone when it comes to Donald Trump. Second, a verdict against Trump tariffs in US courts could alter the scenario. Third, all countries – even allies – have found it tough to negotiate with the US President.

India-China trade

Amidst all the other important developments and debates, India-China trade in 2025 reached $155.6 billion. Chinese Ambassador to India highlighted this point in an address on February 3, 2026.

'In 2025, bilateral trade between China and India reached a record high of $155.6 billion, registering a year-on-year growth of over 12 per cent,'

He also pointed to the improvement in ties between both countries and China's support for India's BRICS Presidency in 2026. It remains to be seen if both countries can find common ground on important issues in BRICS.

US-Iran indirect talks

The US and Iran held indirect talks in Oman, while both sides said that some progress had been made via these discussions, Iran has categorically rejected the US demand of Tehran giving up on uranium enrichment. It remains to be seen if these talks help countries to reduce tensions.

Conclusion

In conclusion, the India-US framework for an interim agreement needs to be viewed from a balanced perspective and there needs to be a constructive debate on the same. The concerns of all stakeholders must be addressed through healthy discussions. Amidst all other developments – domestic and external -- India like other countries would closely be watching developments in the Middle East, especially the Iran-US talks since any further turbulence in the Middle East will have important geopolitical and important ramifications.

(Disclaimer: The views expressed above are the author's own and do not reflect those of DNA)

(The author is a policy analyst and faculty member at the Jindal School of International Affairs, OP Jindal Global University, Sonipat)