

Insights Unwrapped

Is Corn the Thorn in U.S. Trade Deals?



27th September 2025
www.sproutresearch.in

“India brags about having 1.4 billion people but won’t buy one bushel of U.S. corn.”

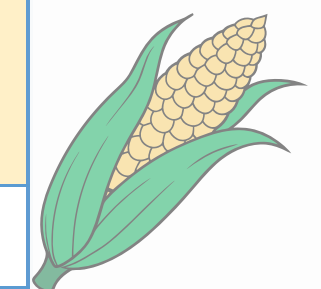
- US Commerce Secretary Howard Lutnick

...But why is corn emerging as the bone of discord?

U.S. Corn Exports: A Downward Trend

Export Markets for U.S. Corn (Value in Billions of Dollars)						Y-o-Y
	2021	2022	2023	2024	Change (%)	
Corn- Total Exports	18.6	18.6	13.1	13.7	4%	
Mexico	4.7	4.9	5.4	5.5	2%	
Japan	3.2	3.0	2.1	2.7	31%	
China	5.1	5.2	1.7	0.3	-80%	
Colombia	1.1	1.0	1.1	1.5	35%	
China's Share in total exports						
	27.1%	28.1%	12.6%	2.4%		

Source: <https://www.fas.usda.gov/data/commodities/corn>

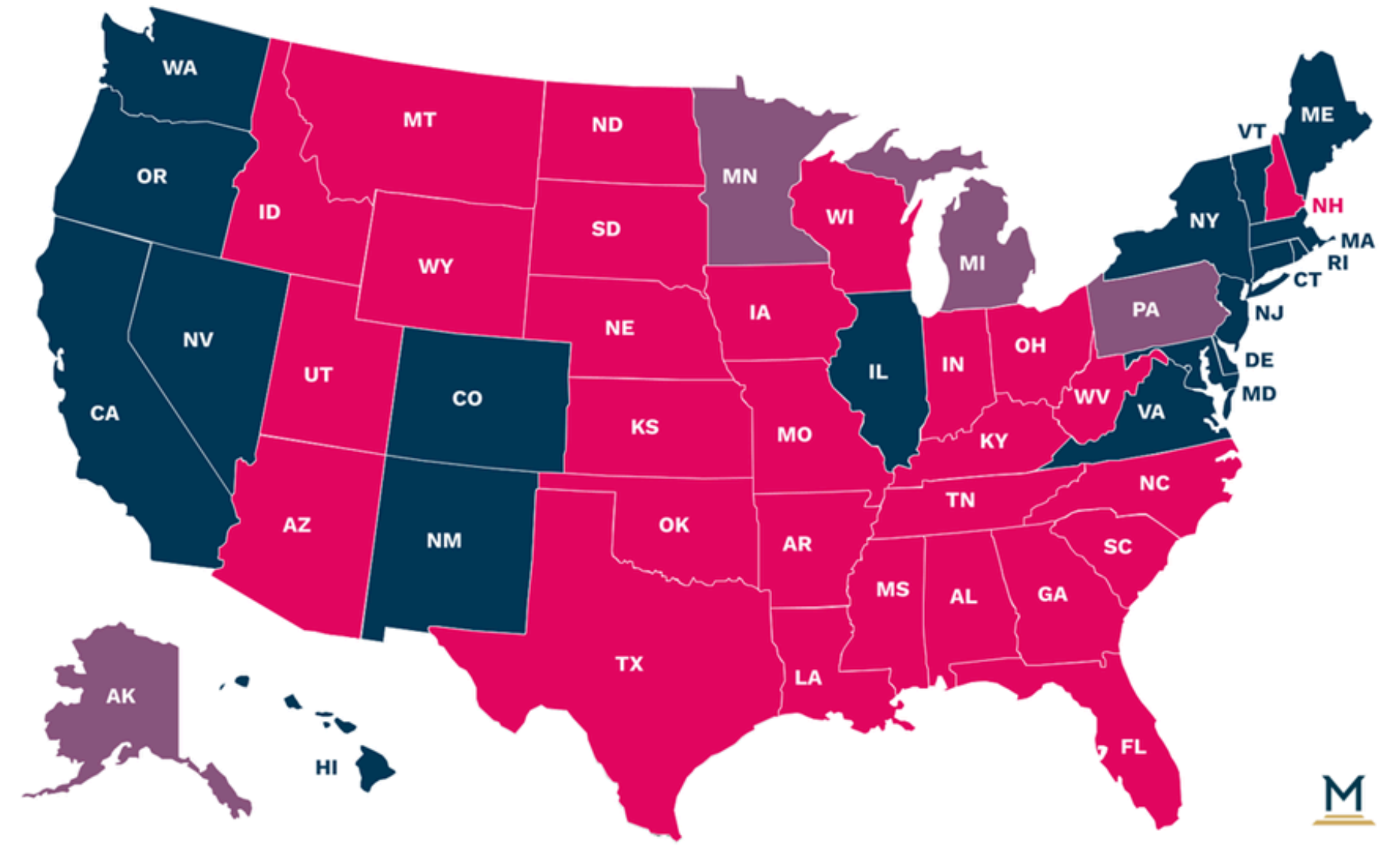


U.S. corn exports are declining due to intensified competition from Brazil's record harvests, unpredictable U.S. trade policies and tariffs deterring buyers, and major importers like China shifting to alternative suppliers and domestic production.

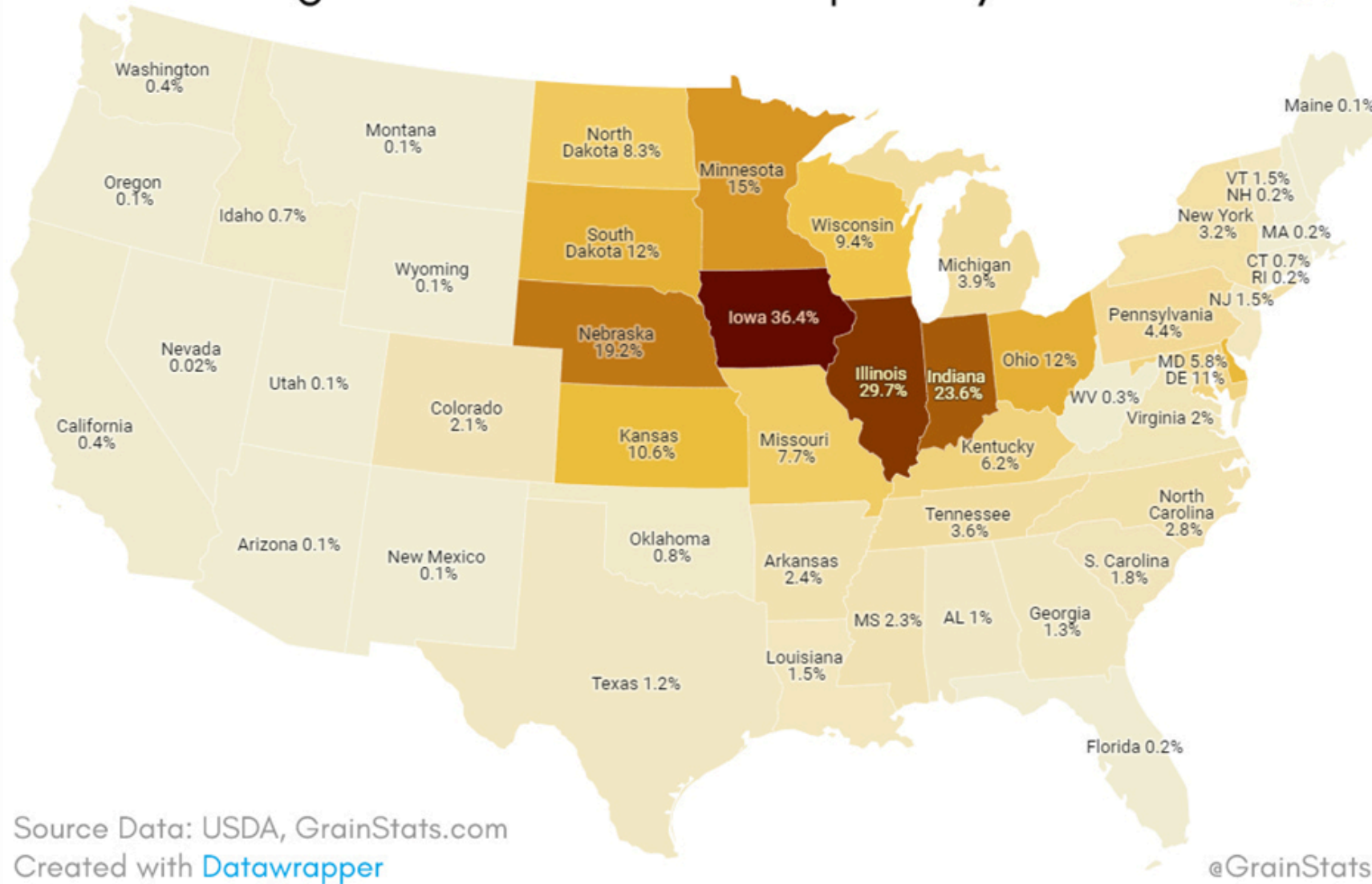
Why the Corn Belt Matters to President Trump?

2025 State Legislatures

■ Democratic Control (18)
 ■ Split Control (4)
 ■ Republican Control (28)



Percentage of Each State Occupied by Corn Fields 🌽

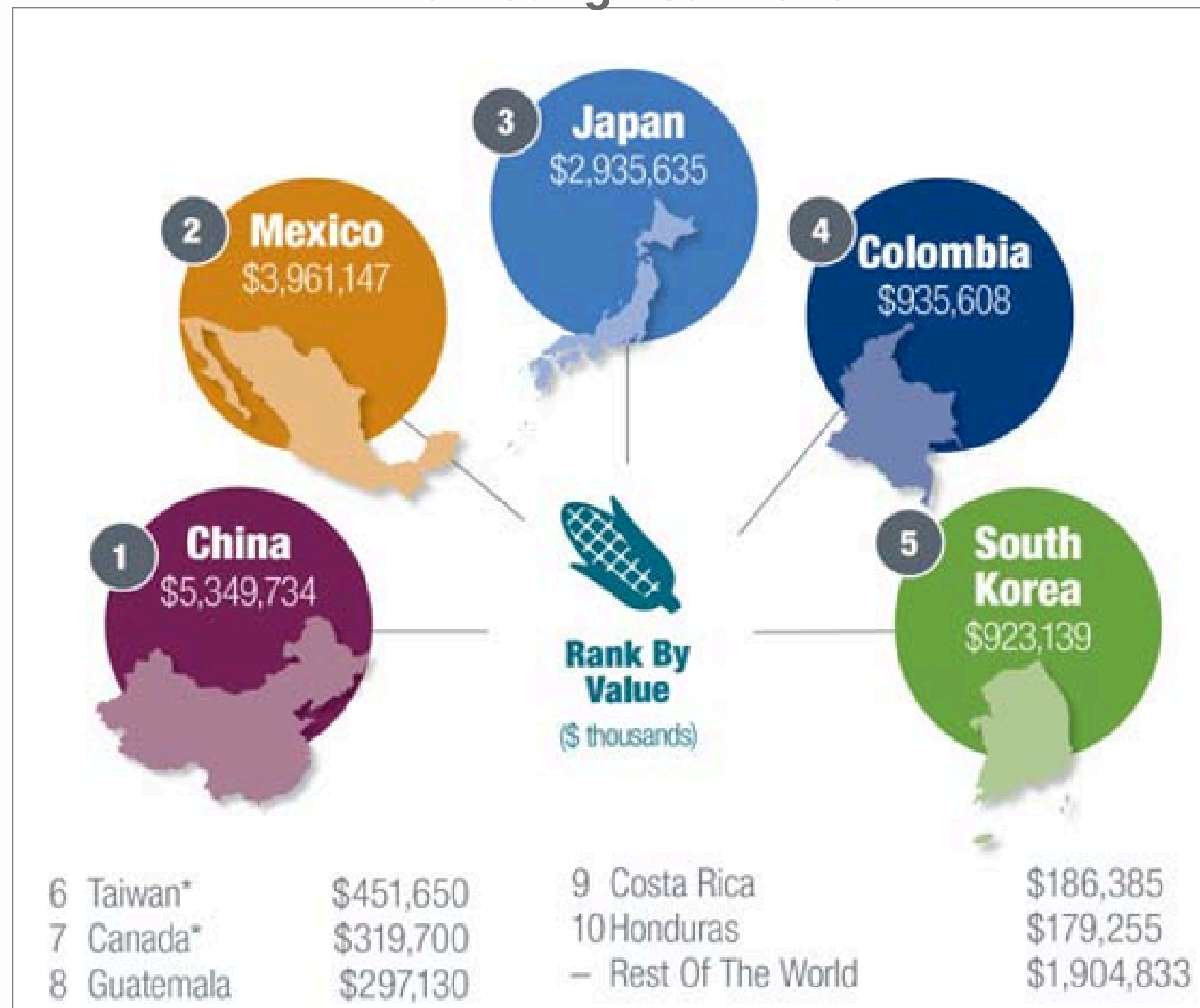


Republicans hold significant state-level control in about 54% of Corn Belt states (6 out of 11)

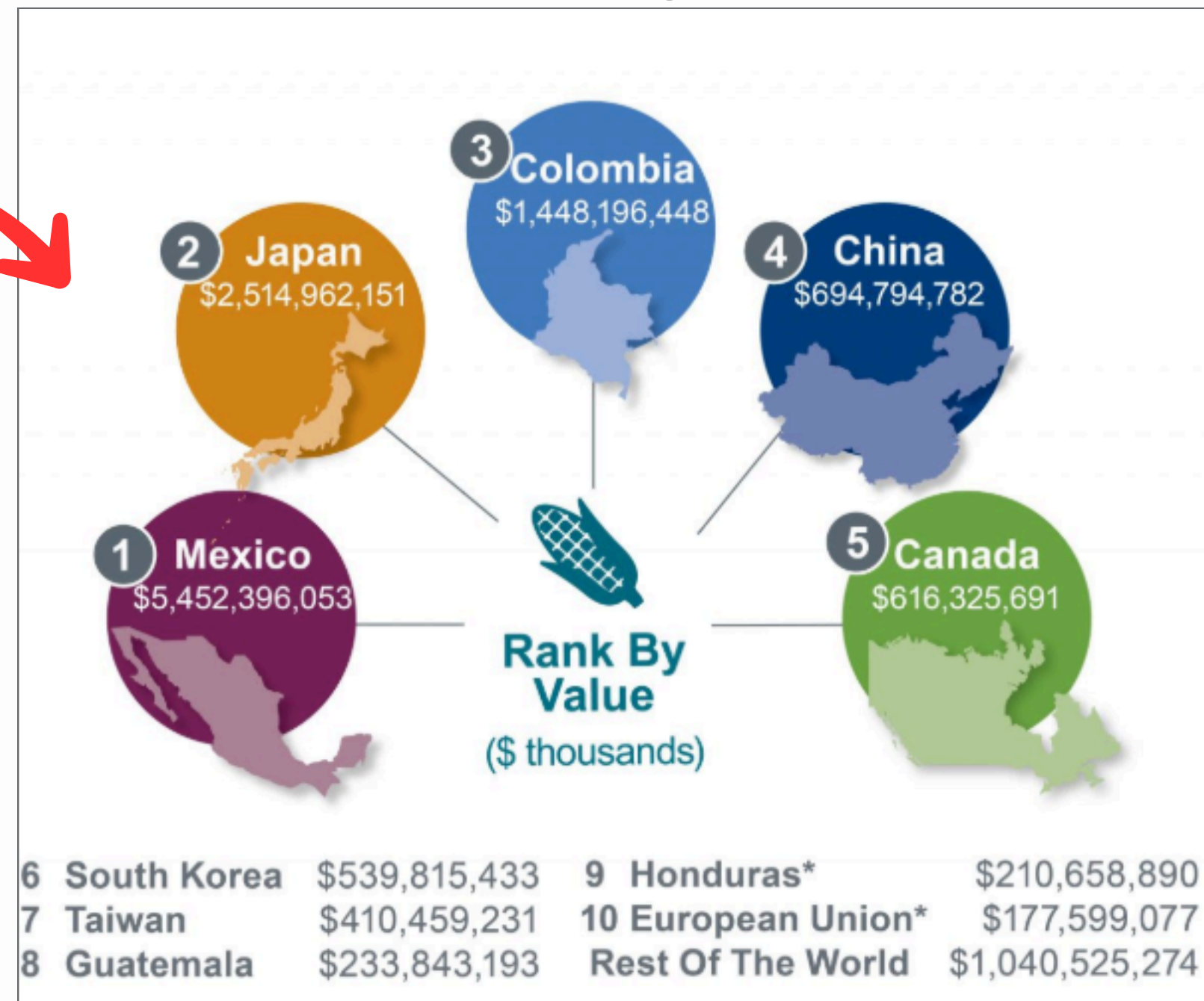
Is corn the 'Hindi Belt' of the US!!

Where Is U.S. Corn Headed? China's Declining Share

Marketing Year 2020-21



Marketing Year 2023-24



Source: USDA Foreign Agricultural Service's Global Agriculture Trading System report for marketing year September 1, 2023, to August 31, 2024.

*Corn is sold based on contract and at varying rates, therefore top rankings for tonnage do not align with rankings for value.

In 2020-21, China was the top importer of U.S. corn, buying 21 Mn T worth \$5.3 Bn. By 2024, it had fallen to fourth place, with imports dropping to 2.9 Mn T, valued at around \$690 Mn—and just \$2.4 Mn between January and July 2025.

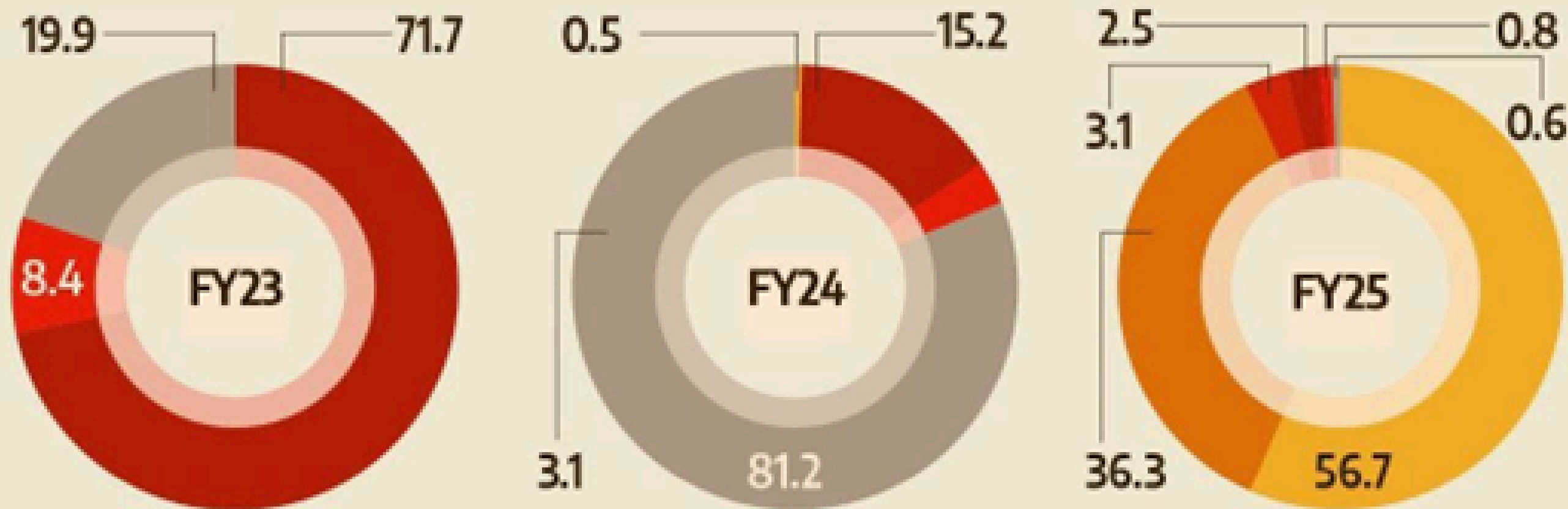
India's Corn Imports Surge, U.S. Share Stays Low

US is a minor source country

The share of corn imports from the US in India's total inbound shipment of the produce fell drastically to 0.8 per cent FY 25 from 8.4 per cent in FY 23.



India's share of corn imports from top countries (%)



Source: Ministry of Commerce and Industry, BS Calculation

- *India, a maize exporter until FY23, turned a net importer in FY25 due to corn diversion for ethanol production*
- *India's corn imports reached \$259 Mn in FY25, a 571% YoY increase, primarily driven by supplies from Myanmar and Ukraine*
- *Corn imports from the US were only \$2.2 Mn (0.1% of agricultural imports) in FY25*

Why Corn is a Hurdle in India-U.S. Trade Agreements?

- **Shift from Feed to Fuel Crop-** India's corn evolving from livestock feed to biofuel raw material, driven by 20% ethanol blending in gasoline
- **Record Imports of corn:** In FY25, India recorded its highest corn imports in nearly a decade, surging 571% year-on-year to USD 260 Mn (against USD 39 Mn in FY24). India imported just 1,100 tonnes of US corn in 2024-25, compared to a total of ~ 1 million tonnes total (mostly from Myanmar and Ukraine), underscoring its reluctance
- The US is aggressively **seeking new markets** for its corn amid a sharp decline in exports—down from \$18.5 Bn in 2022 to \$13.7 Bn in 2024—largely due to reduced demand from China. This has become a critical issue in US politics, given that farmers, particularly in the Corn Belt, represent a vital voting bloc
- **Ban on Genetically Modified Corn:** 94% of US corn is GM, banned in India for health/ecological risks; only non-GM allowed. Interestingly, BT Cotton is already being imported
- **Tariff Barriers:** India imposes a 15% duty on corn imports up to 0.5Mn tonnes; 50% beyond that. This makes US corn, priced at ~\$4.29 per bushel (Rs 15/kg), less competitive compared to India's domestic wholesale prices (Rs 22-23/kg) and minimum support price (Rs 24/kg), protecting farmers

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