Indiaâ??s agrochemical exports expected to be moderate rebound in FY25: Rubix report

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After steadily rising from FY2020 to FY2023, Indiaâ??s agrochemical exports experienced a sharp year-on-year decline of nearly 22 per cent in FY2024 due to global destocking and pricing pressures. However, a moderate rebound is expected in FY2025, with improving demand and inventory normalisation, according to latest Rubix report.

The US and Brazil retained their spots as the top two export destinations for Indian insecticides and fungicides over the past five years. However, in FY2025, Japan displaced Brazil as the second-largest export destination for herbicides.

Cross-Border Trade Dynamics

Â Exports are navigating headwinds but are expected to recover Indiaâ??s agrochemical exports declined sharply in FY2024, by nearly 22 per cent compared to the previous year, primarily due to global inventory destocking, heightened price competition from China, and subdued demand in key export markets. Distributors worldwide reduced procurement to manage excess stock amid falling prices, while Chinese suppliers re-entered the market with aggressively priced products, making Indian exports less competitive. Additionally, erratic weather patterns impacted agricultural activity in importing countries, further dampening demand. However, exports are expected to recover in the coming years as global inventories stabilise, demand picks up with improved agricultural cycles, and Indian manufacturers adapt with cost-efficient production and diversified portfolios. As a result, the trade surplus (difference between exports and imports) came down from USD 3.6 billion in FY2023 and USD 2.8 billion in FY2024 to USD 2.3 billion in FY2025 (April 2024 February 2025).

Importance of Herbicides in Exports

Â Herbicides have emerged as the leading export segment, experiencing the fastest growth at 20 per cent CAGR from FY2020 to FY2025. The share of herbicides in total agrochemical exports increased from 31% to 37 per cent during the same timeframe. This growth is driven by Indiaâ??s cost-effective manufacturing, the rising global demand for affordable herbicides, and the increasing scarcity and cost of agricultural labour, making herbicide-based weed control a more viable choice for farmers.

Concentration in Key Markets

The export landscape reveals a growing concentration in key markets, as the top five export destinations account for more than 50 per cent share for insecticides and fungicides and nearly 71 per cent for herbicides. Notably, the US and Brazil have maintained their positions as the top export destinations for insecticides and fungicides over the past five years. However, in FY2025, Japan displaced Brazil as the second-largest export destination for herbicides