

Home » Economy » Agri Business

## **Pre-budget proposals. Farm sector stakeholders seek GST exemption on agri inputs, tax incentives**

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Agri players, among other demands, seek tax incentives for agriculture value-chain to enhance business operations through the use of technologies

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Tax incentives to agriculture value-chain players, abolition of Goods and Services Tax (GST) on agri inputs, hike in PM-Kisan incentive and fixation of minimum import prices of agri commodities at par with farm-gate rates are some of the stakeholders' recommendations to the Finance Minister Nirmala Sitharaman while formulating the Budget for 2023-24.

"We have been advocating since the GST implementation that lease rentals of godowns should be exempted. Considering our role as a value addition in the entire agri supply chain, any such exemption would be a much needed relief," said Sandeep Sabharwal, Chief Executive Officer, Sohan Lal Commodity Management (SLCM).

He also said that collateral warehousing business is an integrated part of the entire agriculture value chain primarily operating in the post-harvest segment in logistics and warehousing. "We are acting as intermediaries while ensuring longevity and quality of the agri produce during storage for future consumption, thus providing financial inclusion to farmers and farm traders," he said. When services from a rented godown/warehouse are carried out, such rentals should not be subjected to GST.

Sabharwal also demanded tax incentives to agriculture value-chain players to enhance business operations through the use of technologies in mechanised systems. "The industry expects such tax incentives in the upcoming budget to encourage investment in new age technology applications like IoT, AI and ML and Blockchain," he added.

Industry chamber Assocham said private investment in agriculture and allied activities can provide necessary boost to the already committed government spends and can have a multiplier effect in the rural economy. It suggested GST on input services used for providing output services related to Agricultural Produce be exempted. It listed some of the services as security services used for stored agri-produce, laboratory testing services used for quality control of agri-produce and fumigation services

Bharatiya Kisan Sangh, a farmers' organisation, has demanded "profitable prices" on crops, abolition of GST on all agri inputs and PM-kisan incentive of ₹6,000/year be linked to inflation and raised accordingly.