

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-2620
ANSWERED ON – 21.12.2021

GST ON AGRICULTURE RELATED PRODUCTS

2620. DR. ABHISHEK MANU SINGHVI:

Will the Minister of **FINANCE** be pleased to state:-

- (a) the details of gst levied on agriculture related products and tools;
- (b) whether government has any plan to provide subsidies to poor and marginal farmers to purchase agricultural tools and associated products with high gst rates; and
- (c) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The GST rates are prescribed on the recommendation of the GST Council. Broadly, GST rates for agriculture sector are: -

- i) Agricultural produce like fresh fruits, fresh vegetables; wheat, rice, pulses etc. (other than those put up in Unit container) attract Nil GST rate.
- ii) Hand operated tools used in agriculture also attract Nil GST rate.
- iii) Implements and machinery exclusively used in agricultural activities, in general, attract concessional GST rate of 12%.
- iv) Items of general use attract GST rate of 12% or 18%.

(b) & (c): The Government of India has announced launching of a direct income support programme namely Pradhan Mantri Kisan Samman Nidhi (PMKISAN) under which small and marginal farmers having cultivable land up to 2 hectares will be provide direct income support of Rs. 6000 per year to help farmers procure inputs. Also, States are operating similar schemes.

Further, to supplement the efforts to increase farmer's income, Sub Mission on Agricultural Mechanization (SMAM) is being implemented w.e.f April, 2014. The scheme aims at 'reaching the unreached' by bringing to the small and marginal farmers in the core and giving the benefits of farm mechanization, by promoting 'Custom Hiring Centers', creating hubs for hi-tech & high value farm equipments, distribution of various agricultural equipments, creating awareness among stakeholders through demonstration and capacity building activities, and ensuring performance- testing and certification at designated testing centers located all over the country.

Year-wise funds released under SMAM are given below.

Year wise Funds released (Crores)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	181.35	151.74	363.63	791.04	1126.77	992.19	1026.63	244.96 (till date)
