

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
LOK SABHA  
UNSTARRED QUESTION NO.2268

**TO BE ANSWERED ON MONDAY, AUGUST 5, 2024**

**GST ON AGRICULTURAL EQUIPMENTS**

†2268. **SHRI VIRENDRA SINGH:**

**SHRI DILESHWAR KAMAIT:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to remove Goods and Services Tax (GST) from agricultural implements, machinery, fertilizers, seeds and chemical pesticides so as to reduce the production cost borne by the farmers;
- (b) if so, the details thereof along with the time by which it will be proposed;
- (c) the manner in which the Government is likely to make the produce of the farmers profitable;
- (d) the details of agricultural equipments included under the purview of GST at present; and
- (e) the details of percentage of GST applicable on the said items, equipment-wise?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**

**(SHRI PANKAJ CHAUDHARY)**

(a) and (b): The GST rates and exemptions are notified on the basis of recommendations of GST Council, which is a constitutional body comprising of members from both the Union and State Governments.

There is no recommendation from GST Council for change in GST rate in this regard.

(c): Government has taken several policy measures, reforms, developmental programmes and schemes for making agriculture a more profitable profession. The details are given in Annexure.

(d) & (e) : The details of agricultural equipments under the purview of GST and the rate of GST applicable on such items are as under: -

<b>S. No.</b>	<b>Description of Agricultural Equipment</b>	<b>GST Rate</b>
1.	Agricultural implements manually operated or animal driven i.e. Hand tools, such as spades, shovels, mattocks, picks, hoes, forks and rakes; axes, bill hooks and similar hewing tools; secateurs and pruners of any kind; scythes, sickles, hay knives, hedge shears, timber wedges and other tools of a kind used in agriculture, horticulture or forestry, other than Ghamella	Nil
2.	<ul style="list-style-type: none"><li>• Agricultural machinery for soil preparation or cultivation;</li><li>• Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers;</li><li>• Other agricultural machinery, including germination plant fitted with mechanical or thermal equipment</li></ul>	12%
3.	<ul style="list-style-type: none"><li>• Machines for cleaning, sorting or grading fruits, or other agricultural produce;</li><li>• Machines for cleaning, sorting or grading, seed, grain or dried leguminous vegetables.</li></ul>	18%

\*\*\*\*\*

Government has taken several policy measures, reforms, developmental programmes and schemes for making agriculture a more profitable profession. These include:

- (i) Supplementary income transfers under PM-KISAN of Rs 6000 per year in three equal installments,
- (ii) Increase in Minimum Support Price (MSPs) for all Kharif & Rabi crops ensuring a minimum of 50 percent of profit margin on the cost of production,
- (iii) Crop insurance under Pradhan Mantri Fasal Bima Yojna (PMFBY),
- (iv) Better access to irrigation under Pradhan Mantri Krishi Sinchai Yojana (PMKSY),
- (v) Special attention for creation of infrastructure through Agri Infrastructure Fund (AIF) with a size of Rs. 100,000 crore,
- (vi) New procurement policy under PM-AASHA in addition to FCI operations,
- (vii) Kisan Credit Cards (KCC) offering production loan to even dairy & fishery farmers besides agricultural crops,
- (viii) Formation and promotion of 10,000 FPOs,
- (ix) National Mission for Sustainable Agriculture (NMSA), which aims to evolve and implement strategies to make Indian agriculture more resilient to the changing climate.
- (x) Adoption of drone technologies in agriculture which has a potential to revolutionize the Indian agriculture.
- (xi) Benefits accruing under Bee-Keeping, Rashtriya Gokul Mission, Blue Revolution, Interest Subvention Scheme, agro-forestry, restructured bamboo mission, implementation of new generation watershed guidelines, etc.
- (xii) Focus on application of digital technology at all stages of agricultural value chain, and
- (xiii) Supply of fertilizer to farmer at subsidized price so as to reduce input cost.