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IMPACT OF GST ON AGRICULTURAL ACTIVITIES

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ABSTRACT

The introduction of the Goods and Services Tax (GST) in India in 2017 brought about a dramatic change in the tax environment of the nation, impacting a number of industries, including agriculture. In analysing the effects of GST on farming operations, this research takes into account the consequences for farmers, agribusinesses, and the agricultural value chain. We investigate the impact of GST on agricultural production, marketing, and distribution using empirical data and professional perspectives. We also go over the opportunities and problems that have arisen since the GST was implemented, as well as possible legislative changes to deal with them. This research contributes to the ongoing conversation on tax reform and agricultural growth in India by providing a detailed understanding of the link between GST and agriculture.

***keywords** :Goods and Service tax , GST, Agriculture*

INTRODUCTION:

The Goods and Services Tax, sometimes known as the GST, is a substantial indirect tax reform that was implemented in India with the intention of simplifying the taxation system and stimulating economic growth. The Goods and Services Tax (GST) was implemented on July 1, 2017, and it took the place of a convoluted network of indirect taxes that were levied by both the federal government and the state governments. In spite of the fact that the Goods and Services Tax (GST) has had far-reaching repercussions across a variety of economic sectors, the influence that it has had on agricultural operations is still being scrutinised and analysed.

Because agriculture is such an important part of India's economy, it makes a considerable contribution to the provision of food and a means of subsistence for a sizeable number of the country's people. Nevertheless, the industry has been struggling for a long time with inefficiencies and structural obstacles, such as the fragmentation of supply chains, the absence of infrastructure, and limited access to their respective markets. With this background in mind, it was anticipated that the implementation of the Goods and Services Tax (GST) would bring about possibilities as well as obstacles for agricultural enterprises.

We dig into the myriad ways in which the Goods and Services Tax (GST) has affected agricultural activities in India in this study. Our investigation focuses on the ways in which the recently implemented tax system has impacted many sectors of agricultural production, marketing, and distribution. In addition, we investigate the effects that the Goods and Services Tax (GST) will have on both farmers and agribusinesses, as well as other stakeholders in the agricultural value chain. To achieve our goal of providing a complete knowledge of the dynamics between the Goods and Services Tax (GST) and agricultural operations, we will be evaluating empirical facts and the opinions of experts. This will allow us to shine light on the areas that require governmental intervention as well as the prospects for growth.

Impact of GST on Agriculture Top of Form

Agriculture continues to be the sector that employs the greatest number of people in India. It accounts for around sixteen percent of India's gross domestic product. It is anticipated that the industry would reap benefits from the effective implementation of the GST. The transportation of agricultural goods across the entirety of India is one of the ongoing challenges that the industry must contend with. Prior to the implementation of the GST, the tax rates in each state were distinct. GST is anticipated to provide a solution to this issue. There is a possibility that it would give India with its very first national market for agricultural products.

The Goods and Services Tax (GST) is necessary in order to enhance the supply chain mechanism's timeliness, dependability, and transparency. If the mechanism of the supply chain were improved, it would assure that there would be less waste and less costs for the retailers and farmers. There would be a reduction on the cost of heavy machinery that is necessary for the production of agricultural commodities if the GST were implemented. Due to the Goods and Services Tax (GST), the prices of fertilisers may skyrocket, which might be an issue for the sector. The previous rate for fertilisers was 6%, which included 1% excise and 5% VAT. Under the Goods and Services Tax (GST), the tax rate is 12%. In the past, tractors were excluded from the rule. The Goods and Services Tax abolished such exception. The current tax rate on tractors is 12%. On the other hand, one of the advantages of this situation is that producers will be able to make a claim for the Input Tax Credit. Despite this, the burden will be placed more heavily on consumers. Located in the South 24 Parganas district of West Bengal, Krishnendu Bepari, who works for the government, is the owner of enormous tracts of farmland in his hamlet of Harindanga. He shared the following information with BE: "Agriculturists are under constant pressure to increase production from the commercial market." Fertilisers and tractors that are powered by power are essential to this. It is likely that the industry would suffer negative consequences in the event that there is an increase in prices in these particular areas. The apex industry group known as ASSOCHAM has requested that the government of the union reconsider the rates of the Goods and Services Tax (GST) for certain agricultural inputs. These inputs include bio-fertilizers, bio-pesticides, biocontrol agents (BCA), organic manures, farmyard manure (FYM), and other aforementioned products. "A higher Goods and Services Tax (GST) in this segment will directly promote chemical usage, which will lead to an increase in greenhouse gas emissions. In addition, it will also adversely impact public health," emphasised ASSOCHAM in a statement that was delivered to Arun Jaitley, the minister of finance for the union.

In their submission, the chamber emphasised the significance of bio-fertilizers by stating that the majority of them are produced by micro, small, and medium businesses (MSMEs). Furthermore, they provide farmers an alternative to environmentally responsible agricultural techniques such as organic farming. Agricultural practices such as cattle breeding, poultry farming, and dairy farming are not included in the concept of agriculture. Consequently, the Goods and Services Tax (GST) will apply to these. Milk and some milk products are subject to a value-added tax (VAT) of just 2% at the moment; however, under the Goods and Services Tax (GST), the rate of taxation for fresh milk is 0%, the rate of taxation for skim milk is maintained below 5%, and the rate of taxation for condensed milk is going to be 18%. It has not yet been determined how the higher tax rates would affect the industry as a whole. There is a significant issue that is affecting the agricultural industry in India, and that is the fact that farmers are not able to obtain reasonable rates for their goods. A connection may be made between the low pricing of agricultural products and the deep-seated agricultural hardship that exists in India. If the Goods and Services Tax (GST) is able to solve this problem, the industry will reap significant benefits. It is anticipated that the implementation of the Goods and Services Tax (GST) will have a positive impact on the agricultural market. This is because the reduction of taxation to a single rate would simplify the transportation of agricultural goods, since they would be able to reach their destinations more efficiently through trucks.

When a given product is traded over state lines, it is frequently subject to a variety of taxes, permissions, and licences that are required by different states at each and every stage of the transaction. In the past, this had frequently caused many merchants to experience difficulties when it came to the process of trading items throughout the country. When it comes to liberalising the marketing of agricultural products and facilitating a seamless transaction of commodities, the implementation of the commodities and Services Tax (GST) would be the first step. With the Goods and Services Tax (GST), small and marginal farmers in India will be able to buy agricultural machinery, which was previously out of their grasp due to the hefty excise charge that was placed on the machinery. Agricultural items have traditionally been subject to a variety of taxation rates; thus, a single rate of goods and service tax would be beneficial to the national agricultural market. It would also assist farmers and merchants in selling their products in any area of the country and ensuring that they obtain the highest possible price for their commodities. The Goods and Services Tax (GST) rate that is being suggested ought to ensure that there is uniformity in the taxation of processed and unprocessed food goods. This would ensure that processed food is accessible to all customers. In order to ensure that the benefits of processed foods are accessible to all consumers, the GST rate should be structured in such a way that makes it possible for different income groups to pay varied amounts. At this time, there is no tax assessed on the purchase of milk from farmers. The central value-added tax that we pay on the sale of milk powder to a corporation is merely two percent. According to the Goods and Services Tax (GST), the tax rate may range from 12.5 percent to 15 to 18 percent. In the near future, there will be a direct increase in the prices of milk and milk products. In terms of milk production, India has the highest ranking, accounting for around 18.5% of the global output. Due to the fact that milk is a fundamental requirement for many homes, a rise in the price would not be well received by customers. The yearly output for the year 2015-2016 totaled to 155.49 million tonnes, according to Indiastat, and it has been increasing every year. In addition to easing the movement of agricultural commodities between states, which would improve marketing efficiency, facilitate the development of virtual markets through warehouses, and reduce overhead marketing costs, the implementation of the Goods and Services Tax (GST) is anticipated to make it easier to facilitate the implementation of the National Agricultural Market. This is due to the fact that it would eliminate all types of taxes that are imposed on the marketing of agricultural produce.

Concept of Goods and Service Tax

A comprehensive indirect tax levy on the production, sale, and consumption of products as well as services at the national level is planned to be achieved through the implementation of the "Goods and Services Tax," which is abbreviated as "GST." The Goods and Services Tax (GST) is an idea that would make all items competitive in both the domestic and international markets. When a single taxing method is implemented after the Goods and Services Tax (GST), we will be able to declare that inflation will decrease. It is reasonable to anticipate that the rate of taxes on essential goods, such as agricultural products and pharmaceuticals, will be low or will be excluded from taxation altogether. The citizens of the nation will be exposed to the positive energy that will be distributed by it.

Features of Indian GST

- there will be collected via the value-added tax system, which means that there will be a tax at each stage of the value addition process. It will be imposed at a uniform rate of twenty percent (the centre state share will be twelve percent and eight percent, respectively).

- The Indian government will also implement an integrated Goods and Services Tax (GST), which means that only the central government will be able to collect GST in the event of inter-state trade and commerce. Furthermore, this tax will be split between the central government and the states depending on the suggestion of the GST council advisory body. Indirect taxes would not be included into the Goods and Services Tax (GST).

- The risk that the unified tax rate will be lower than the rates that are already in place in some states is that it will have an impact on their tax revenue. According to the administration, the implementation of a dual GST will result in improved revenue collection for the states.

- Tax receipts could decrease in states that are seen to be less developed and more backward. As the consumption of goods and services increases, the Goods and Services Tax (GST) may result in improved revenue collection for certain states. State governments, on the other hand, have been looking for guarantees that their current earnings will be safeguarded.

- In the event that there is a decrease in income, the federal government has made an offer to compensate the states. Integrated Goods and Services Tax (GST) and Central Sale Tax will continue to be collected by the central government for the first two years of the implementation of the Goods and Services Tax (GST).

- However, depending on the recommendation of the GST council, the GST may be extended further, which would be contrary to the very purpose of introducing the GST. There are several things that are excluded from the Goods and Services Tax (GST), such as alcoholic beverages, aviation turbine fuel or high-speed diesel, petrol, stamp tax, customs duty, and so on.

But it is very well known that 40 per cent of state government revenue is from these items and thus the very purpose of introducing GST is at stake. GST is expected to build a business friendly environment, as it leads to charge a uniform tax rate. Indian economy is highly affected by the indirect taxes like service tax, VAT tax, duties sales tax etc. They are all affecting Indian economy in different area because most of indirect tax applied by state government in their particular state and that make differentiation in the form of rate of indirect taxes. Rahul Bajaj, chairman of the Bajaj Group, told Reuters in November 2012. Some states fear that a uniform tax rate, if lower than their existing rates, will dent collections. However, the central government has said it will compensate states for the potential revenue loss. Mr.

Chidambaram (former finance minister) has set aside Rs. 9,000 Crore towards the first installment of the balance of central sales tax (CST) compensation. Shaikh et al. (2015) have same view about GST, they said that GST acts as helper in the collective gain for industry, trade, agriculture and common consumers as well as for the Central Government and the State Government and thus ultimately helpful in development of Indian economy. It was further reported that GST will lead to provide commercial benefits, which were remained untouched by the VAT system. Jaiprakash had same view But it is very well known that 40 per cent of state government revenue is from these items and thus the very purpose of introducing GST is at stake. GST is expected to build a business friendly environment, as it leads to charge a uniform tax rate. Indian economy is highly affected by the indirect taxes like service tax, VAT tax, duties sales tax etc. They are all affecting Indian economy in different area because most of indirect tax applied by state government in their particular state and that make differentiation in the form of rate of indirect taxes. Rahul Bajaj, chairman of the Bajaj Group, told Reuters in November 2012. Some states fear that a uniform tax rate, if lower than their existing rates, will dent collections. However, the central government has said it will compensate states for the potential revenue loss. Mr. Chidambaram (former finance minister) has set aside Rs. 9,000 Crore towards the first installment of the balance of central sales tax (CST) compensation. Shaikh et al. (2015) have same view about GST, they said that GST acts as helper in the collective gain for industry, trade, agriculture and common consumers as well as for the Central Government and the State Government and thus ultimately helpful in development of Indian economy. It was further reported that GST will lead to provide commercial benefits, which were remained untouched by the VAT system.

Literature review

Kumar, R., Malhotra, R. K., & Chakma, G. (2022). Goods and service tax exempted agriculture products except processed product. Agriculture services means services related to agriculture product like transportation of agriculture product. Also there is requirement of tractor for cultivation, harvesting machine, testing in laboratory etc are related to agriculture service. Pre –GST regime enumerated negative list of agriculture service. Rearing of all life –form of animal is part of agriculture but doesn’t included rearing of horses, for food ,fiber , fuel and raw material or other similar products. Under ending regime services like storage of agriculture products, services related to food grain, loading and unloading of rice inspection of seed etc were exempted. Fertilizer plays main role in agriculture production. In pre-GST tax on fertilizer was six per cent which increased in new GST regime i.e. twelve per cent. Same GST on tractors has been imposed at the rate of twelve per cent.

Tharani, S., & Ahmed, S. (2017). Agriculture plays a vital role in India’s economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. Agriculture, along with fisheries and forestry, is one of the largest contributors to the Gross Domestic Product (GDP). As per the 2nd advised estimates by the Central Statistics Office (CSO), the share of agriculture and allied sectors (including agriculture, livestock, forestry and fishery) is expected to be 17.3 per cent of the Gross Value Added (GVA) during 2016-17 at 2011-12 prices. Though, implementation of GST is going to benefit a lot, the farmers/distributors in the long run as there will a single unified national agriculture market. GST would certify that farmers in India, who contribute the most to GDP, will be able to sell their produce for the best available price. Overall, it seems, from the inputs side, that the cost of cultivation for farmers may increase marginally, which in turn may put mild pressure on agri-prices. But the story is not complete unless we see the taxation structure on agrioutput prices.

Bansal, C. N. K., & Sharma, S. (2020). Study is mainly intended to find out significant impact of goods and services tax over on the agriculture yield. Enactment of goods and services tax called as one nation one tax was a tremendous accomplishment of Indian fiscal history since independence. Since 1st day of July 2017 GST has been implemented across the country with aim abridged tax system, seamless business flow and mitigate the cascading affect. Agriculture sector is one of the most critical segments in Indian economy. Consequently, a tiny kind of effect over on Indian agriculture sector will directly mark the Indian economy. Study is having characteristics of descriptive research, in the same way secondary database used to construe the status quo. Study been conducted over on imperative agriculture inputs, equipment and machineries which are primarily be used to farming. As a coin has its two-side head and tail, in the same way, new indirect tax regime called as GST is having both type of affect over on agriculture sector in India. With help of meticulously analysis of finding it is clear that that GST has a positive impact over on agriculture sector in India. Cost of farming produce will be reduced and an extensive range of marketplace nationwide be accessible for agriculturist. Unified indirect tax system in India will boost the farming segment in India. Influence of agriculture sector to Indian economy contribution will be amplified.

Singh, N. P., Bisen, J., Venkatesh, P., & Aditya, K. S. (2018). Goods and services tax or GST is an important fiscal instrument to ensure efficient, equitable and sustainable economic growth. India switched over to GST in 2017, bringing all economic activities, including those related to agricultural sector, under its ambit. Most agricultural services remain exempted from GST, and tax rates on several inputs and commodities have been reduced. Tax rates on machines and equipment used in dairy industry have marginally been reduced, while dairy products have been brought under tax net. Tax incidence machines and equipments used in agro-processing has increased. These changes in tax rates are likely to influence prices of inputs and their usage; adoption of technologies and prices of agricultural commodities and thereby farm profits. In this paper, we have attempted to highlight likely impacts of GST on input prices and cost of cultivation of important crops.

Research Objectives:

- To study impact of Goods and Services Tax on agriculture sector in India
- To get detailed understand about to Implication of the GST over on the Operations of agriculture produce.
- To study about whether cost of farming produce will be reduced or increased. Research methodology

Research Methodology:

The study has characteristics of descriptive research. This research paper purely based on secondary database. We used the research works done by the other eminent researcher to elaborate the topic in detail. To find out the facts and data secondary database been used to carried out the study. Entire study based on documentary scrutiny and interpretation. Secondary data comprised sundry text books, indirect tax act likewise central excise duty act, cenvat credit rules, service tax act, central sales tax act, value added tax act, research articles, surveys, journals including e-journals, periodicals, bulletins, magazines, reports of distinguished government agencies, newspapers, web contents etc.

Impact on Agriculture Sector:

Traditionally, each kind of produce required necessary inputs, equipment and machineries and processes to convert raw material in to finished goods. Furthermore, to reach at consumers door step required essential marketing, selling and distribution activity. Similarly, in agriculture sector to farm each crop, agriculturalist required essential agriculture inputs in form of seeds, organic manure, fertilizers including chemicals fertilizers, plant protection chemicals and plant growth regulators etc to cultivate the farm produce. Each and every input has its own substantial role in to complete process of cultivation. Hence, we can say that farming is a function of inputs which is influenced by labour-intensive process with aid of agriculture equipment and machineries. In this changing scenario globally, only human intervention does not suffice to reach at goal easily. To run the process efficiently and achieve the goal line within stipulated time limits, it is necessary to have mechanical assistance in form of agriculture equipment and machinery along with essential work force. Primarily mechanical sustenance includes tractors, solar penal, harvesting and threshing equipment like reaper, harvester and mover, plant protection equipment likely sprayer, duster and power sprayer, electric submersible pumps sets, pipe and their fittings, farming diesel engines for irrigation etc. Apart from these input materials and mechanical support, services like land preparation, hoe, harvesting, loading and unloading etc. by the manual force, supply chain service are also having notable position to complete the agriculture process. As far as role the agriculture in to the Indian economy, similarly new indirect tax regime has influenceable optimistic role in to agriculture sector across the country. To study the impact of goods and services tax on agriculture sector in India, we did collect indirect tax rates for several important agriculture inputs and equipment and machinery for five state out of the country. Table-1 and table-2 are having indirect tax information for important agriculture inputs and important agriculture equipment and machineries respectively. Indirect tax data, state tax and central tax both, collected for five states namely Uttar Pradesh, Madhya Pradesh, Punjab, Rajasthan and Gujarat.

Table: 1 Tax rates on important agriculture inputs:

Agriculture inputs	Pre-GST Rate %						GST Rate %
	Uttar Pradesh	Madhya Pradesh	Punjab	Rajasthan	Gujarat	Central Rate	
Seeds	0	0	0	0	0	0	0
Organic Manure	0	0	0	0	0	0	0
Fertilizers	4	5	0	5.5	4	12.5	5
Chemicals Fertilizers	4	5	0	5.5	4	12.5	5
Plant Protection Chemicals	4	5	0	5.5	4	12.5	18
Plant Growth Regulators	4	5	0	5.5	4	12.5	18

Information about to indirect tax structure for aforementioned important agriculture inputs now will be make an energetic understating of GST impact over on agriculture inputs. If we see sequentially, seeds and organic manure were neither have tax burden in pre-GST regime nor have in GST regime. These both inputs were free from central and state tax burden and similarly both are free from GST also. Now come to with fertilizers, Central excise duty was leviable on manufacturing of the fertilizers and chemical fertilizers both and state tax also was leviable by the state legislature except Punjab. In pre-GST regime, consolidate indirect tax burden over on fertilizers and chemical fertilizers was varying to 16.50%-18% depending on the basis of the state tax structure. Which has been reduced to 5% in GST regime. Further, Central excise duty was leviable on manufacturing of the plant protection chemicals and plant growth regulators both and state tax also was leviable by the state legislature except Punjab. In pre-GST regime, consolidate indirect tax burden over on plant protection chemicals and plant growth regulators was varying to 16.5%-18% depending on the basis of the state tax structure.

Which has been raised to 18% in GST regime.

Aforesaid analysis of indirect tax structure visibly indicates that, first two agriculture inputs called as seeds and organic manure does not have any impact over on cost of agriculture produce. Rate of indirect tax chargeable over on both agriculture inputs are same in GST regime and pre-GST regime. Over on another two agriculture inputs, rates of indirect tax chargeable over on fertilizers and chemical fertilizers reduced to 5% from 16.50%-18%. Hence cost of fertilizers and chemical fertilizers attributable to cost of farm produce will reduced in GST regime in comparison to pre-GST regime. Rest two agriculture inputs known as plant protection chemicals and plant growth regulators have adverse effect in terms of increased indirect tax rate chargeable over on both agriculture inputs. Hence cost of plant protection chemicals and plant growth regulators attributable to cost of farm produce will increased slightly in GST regime in comparison to pre-GST regime. Briefly overall cost will be reduced comparatively reason behind is that, two agriculture inputs are having favourable affect by reduced rate of indirect tax by 11.50%-13% alongside that adverse effect over on two another agriculture inputs, increased indirect tax rate by 0%-1.50% only. Hence fraction of incremental cost of agriculture produce is negligible in comparison to reduction of cost in two another agriculture inputs.

Table: 2 Tax rates on important equipment and machinery:

Equipment &Machinery	Pre-GST Rate %						GST Rate %
	Uttar Pradesh	Madhya Pradesh	Punjab	Rajasthan	Gujarat	Central Rate	
Tractor	4	5	4	5.5	4	12.5	12
Solar Penal	0	0	0	0	0	12.5	12
Harvesting and threshing equipment	0	0	0	0	0	0	12
(Reaper, Harvester and mover)	0	0	0	0	0	0	12
Plant Protection	4	5	4	5.5	4	12.5	12
(Sprayer, Powderoperated sprayer, duster)						12.5	12
Electric pumps	4	5	4	5.5	4	12.5	12

Seem like as in above stated indirect tax structure during pre-GST regime and GST regime, central excise duty was leviable on manufacturing of tractors by virtue of the central indirect tax legislature and value added tax was leviable on supply of said machinery by virtue of the state indirect tax legislature. In pre-GST regime, consolidated indirect tax burden on tractors was varying to 16%-17.50% depending on the basis of the state indirect tax structure. Which has been reduced to 12% in GST regime. Further, solar penal was free from burden of state indirect tax levy but central excise duty was leviable over on the manufacturing of the solar penal in India. Hence consolidated indirect tax burden on solar penal was 12.50% depending on the basis of the state indirect tax structure in pre-GST regime. Which has been reduced to 5% in GST regime. Furthermore, Harvesting and threshing equipment and plant protection equipment were free from any kinds of indirect tax burden in pre-GST regime. In short indirect tax cost for harvesting, threshing and plat protection equipment was nil. But it has been raised to 12% in GST regime for such like kind equipment. Moreover, central excise duty was leviable on manufacturing of electric pumps including submersible pumps, pipes and their fittings and farming diesel engine by virtue of the central indirect tax legislature and value added tax was leviable on supply of said machineries by virtue of the state indirect tax legislature. In pre-GST regime, consolidated indirect tax burden on electric pumps including submersible pumps, pipes and their fittings and farming diesel engine was varying to 16%-17.50% depending on the basis of the state indirect tax structure, which has been reduced to 12% in GST regime.

As seems in abovementioned indirect tax rate structure for important agriculture equipment and machineries, each article is having impact upon it. Rates of indirect tax chargeable over on tractors reduced to 12% from 16%-17.50%. Hence cost of tractors attributable to cost of farm produce will reduced in GST regime in comparison to pre-GST regime. Similarly, Rates of indirect tax chargeable over on solar penal reduced to 5% from 12.50%. Hence cost of solar penal attributable to cost of farm produce will reduced in GST regime in comparison to preGST regime also. Furthermore, Rates of indirect tax chargeable over on electric pumps including submersible pumps, pipes and their fittings and farming diesel engine reduced to 12% from 16%-17.50%. Hence cost of electric pumps including submersible pumps, pipes and their fittings and farming diesel engine attributable to cost of farm produce will reduced in GST regime in comparison to pre-GST regime also. Remains two machinery and equipment known as harvesting and threshing equipment and plant protection equipment having adverse effect in terms of increased indirect tax rate chargeable at the rate 12% from nil rate of tax. Hence cost of harvesting and threshing equipment and plant protection equipment attributable to cost of farm produce will increased slightly in GST regime in comparison to pre-GST regime. Therefore, overall cost will be reduced comparatively reason behind is that, five agriculture equipment and machineries are having favourable affect by reduced rate of indirect tax by 4.50%-7.50% alongside that adverse effect over on two another agriculture equipment and machineries, increased indirect tax rate by 12% only. But attributable use of harvesting, threshing and plant protection equipment and machineries are not as much in comparison to others. Hence fraction of incremental cost of agriculture produce is negligible in comparison to reduction of cost in two another agriculture inputs.

Beside these important agriculture inputs, equipment and machineries, supply chain or logistic services are also essential to market and distribute the farm produce to appropriate place. Transportation service for agriculture and ancillary produce was specifically exempt in preGST regime. Similarly, in GST regime same is falling under exempt category. Hence cost for transportation of agriculture produce and ancillary goods will be unaffected in new indirect tax regime.

Conclusion:

Agricultural operations in India have been presented with a number of problems and possibilities as a result of the implementation of the Goods and Services Tax (GST). In spite of the fact that the early era of transition was marked by a few interruptions and uncertainties, some patterns and impacts have grown more distinguishable over the course of time. The Goods and Services Tax (GST) has done a number of beneficial things, including contributing to the simplification of the tax system, lessening the responsibilities of compliance, and encouraging a more united market across state lines. This has the potential to increase the efficiency of agricultural supply chains, make it easier for farmers to trade with other states, and create more opportunities for farmers to reach markets. Furthermore, the Goods and Services Tax (GST) has effectively encouraged formalisation and transparency within the agriculture sector, which has the potential to attract additional investment and modernization. Despite this, difficulties continue to exist, notably in the areas of organisational compliance and administrative procedures. Small and marginal farmers, who make up a substantial chunk of India's agricultural labour, may have a tough time negotiating the complexity of the Goods and Services Tax (GST) compliance. In addition, the ambiguity that surrounds certain components of the Goods and Services Tax (GST), such as its application to agricultural inputs and outputs, calls for clarification in order to minimise unexpected effects and ensure that everyone is treated reasonably. Policymakers need to address these problems through targeted measures in order to make the most of the benefits that the Goods and Services Tax (GST) offers for agricultural operations. The simplification of compliance processes, the provision of sufficient assistance and guidance to farmers, and the refinement of GST laws relevant to agriculture in order to match with the sector's distinctive characteristics are all included in this statement. Overall, the Goods and Services Tax (GST) has the potential to revolutionise the agricultural environment in India by promoting efficiency, transparency, and market integration. However, the extent to which it will have an influence will be contingent on the degree to which policymakers are able to successfully handle the difficulties that are special to the sector and capitalise on the possibilities that it brings. India is able to exploit the revolutionary potential of the Goods and Services Tax (GST) to promote agricultural growth and boost the well-being of its farming community if it strikes the proper balance between reforms and support measures.

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