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POLICIES & TAX REGULATIONS- THE CURRENT FARMING & AGRICULTURE SCENARIO IN INDIA

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FARMING IS NOT JUST AN OCCUPATION, BUT A SERVICE TO THE NATION. WHAT IS YOUR OPINION ON THE PRESENT AGRICULTURAL SCENARIO? HOW CAN THE CURRENT STATUS OF FARMING BE ENHANCED?

Farming is one of the most widely followed occupations in our country. In India, about 58 percent of our population is dependent on this sector for their survival, while their produce is responsible for feeding about 16.8 percent of the total world's population. But these facts do not present the full picture. The truth is that in the past few years, our agricultural scenario has witnessed a downfall. While earlier it contributed 61 percent to our GDP, today, its contribution has reduced to only 19 percent. This is mainly because of the many factors spiralling around the slowdown in the growth rate of output, which in turn is leading to declining farmer's income and resulting in farmer's distress. Now, in order to enhance the present farming status, efforts should be made to increase the growth rate of output, for which there is a need for sustainable management of resources like land and water.

AS AN INDUSTRY THOUGHT LEADER, WHAT IS YOUR OPINION ON THE GOVERNMENT'S POLICIES & REGULATIONS ON FARMERS' CONCERNS AND AGRICULTURE DEVELOPMENT?

The government is framing its policies and regulations with the main objectives of raising the productivity of inputs by providing farmers with HYV seeds at low prices and introducing new irrigation projects for protecting the interest of underprivileged agriculturists by providing them with subsidized food access, offering them MSP for their produce, and



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for enhancing cropping by multi-cropping and inter-cropping practices. Now on one hand, where these policies are applaudable, on the other hand, they are not enough to erase the farmers' distress. There is still a need for increased investment in the agricultural sector, and a lot more needs to be done to support farmers financially.

ARE THESE EFFORTS MADE BY THE GOVERNMENT REALLY EFFECTIVE? IN WHAT WAY ARE THEY IMPACTING FARMERS AND FARMING?

Yes, these efforts by the government are bearing fruits and offering some comfort to the farmers. The MSP ensures farmers that their yield will earn them some return, while the availability of fertilizers, tools and HYV seeds at low prices are enabling them to purchase the necessary equipment for farming. Moreover, the government's policies to protect the land and water resources in order to promote sustainable growth are encouraging agricultural development.

ELABORATE ON THE CUSTOMS TARIFFS ON THE IMPORT OF AGRICULTURE PRODUCTS. HOW ARE THESE DECIDED, AND WHO CONCLUDES ON IT?

The custom tariffs on the import of agricultural goods are an example of indirect tax that is levied upon the agricultural goods when they are bought into India from a foreign country. These taxes are calculated by adding-up Basic Customs Duty and Customs Handling Fee. They are determined by the Central Board of Excise and Customs, which is a part of the Ministry of Finance, Government of India.

ARE THERE ANYWAYS OF USING NON-TARIFF MEASURES ON IMPORTS OF AGRICULTURAL PRODUCTS?

Yes, there are various non-tariffs measures that can be used to regulate the imports of agricultural products. These include reducing taxes on domestic agricultural produce, providing farmers with agricultural tools & equipment at reduced prices so that they incur low costs in growing crops and can hence sell their produce at affordable rates, and introducing measures to ensure that good quality crops can be produced in our country so that our crops can compete with the exported agricultural produce.

HIGHLIGHT THE COUNTRY'S YIELD EXPORT POLICIES. ARE TAXES OR SUBSIDIES ON EXPORT OF AGRICULTURAL PRODUCTS PERMITTED?

India's export yield policy is mainly trying to focus upon diversifying our export basket, in doubling India's share in world agricultural exports, in following a holistic approach to boost exports, in marketing & promoting 'brand India', towards attracting private investments into producing & processing, and in following a farmer-centric approach to ensure increased income for farmers.

Yes, taxes and subsidies on exports of agricultural products are permitted by the government in order to encour-

age the exports of Indian goods in the international markets. The government ensures this by offering tax relief for exporters.

BRIEF US ON THE AGRI SUBSIDIES AND OTHER FACILITIES AVAILABLE BY FARMERS.

The agricultural subsidies and other farmer facilities that are available by farmers in India include loans granted to farmers at lower or no interest rates, Minimum Support Prices offered by the government on agricultural produce, and subsidy on fertilizers, irrigation, power, and seeds purchased by farmers.

WILL INDIA CONTINUE TO HAVE ADEQUATE POLICY SPACE TO RAISE TARIFFS ON AGRICULTURAL PRODUCTS?

The government holds the power to decide tariffs on the export & import of goods in a country to protect its domestic markets from being flooded by international goods. And India has been fighting hard to keep this mandate with itself. Recently, India decided to opt-out of RCEP (Regional Comprehensive Economic Partnership) because that agreement would have put the Indian domestic industry and agriculture at risk by forming a free trade area with 15 countries. Hence, this decision by the Indian government is in spirit with the opinion that India will continue to hold power on deciding policy space.

ARE DEVELOPED COUNTRIES ALLOWED TO SHIELD SOME OF THEIR AGRICULTURAL PRODUCTS FROM FULL TAX ON IMPORTS AND EXPORTS?

A particular country being allowed to shield its agricultural produce from full tax on import and export tariff depends upon its own tariff policies and the trade pacts that it has signed with other neighbouring countries. If a country in question has entered into a free trade agreement with other countries, then the power to decide its export and import rates will depend upon what has been agreed upon in the trade agreement.

AS AN EXPERT, WHAT IS YOUR INSIGHT ON THE MEASURES TO BE TAKEN TO RESOLVE THE SNAGS THAT ARE HINDERING AGRICULTURE AND FARMER'S GROWTH?

In order to promote agricultural and farmer's growth in India, the steps that should be taken include -

- Domestic production of crops should be encouraged.
- Sustainable development of agriculture should be ensured where resources like land and water are used feasibly.
- Production of high-quality crops should be encouraged.
- Exports should be increased.
- Investment in the agricultural sector should be encouraged. [11](#)