

# CropLife India suggests provisions for ag in national budget



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Agrochemical industry association CropLife India has put forth a range of suggestions for the Indian government. It recommends that the proposals be incorporated into the national budget, which is to be unveiled on February 1st, with an eye on improving farmers' incomes and achieving overall sectoral growth.

## Customs duty

Rejecting the proposal to raise the basic customs duty on pesticide formulations from 10% to 30%, the association suggests that a uniform basic customs duty of 10% be followed for technical raw materials as well as formulations. It notes that restrictions on the import of formulations would prevent the use of safer and newer agrochemicals in the country, adding that a hike in duties would have a "huge impact" on the final pricing, besides affecting the affordability for smallholder farmers.

## GST

CropLife India reckons that the goods and services tax (GST) levied on agrochemical products should be lowered from 18% to 12%, which would be aligned with other agriculture inputs. The group anticipates the move lowering the prices of agrochemicals, adding that the measure would help farmers in doubling their incomes through enhanced savings.

Furthermore, it has urged the government to allow businesses to adjust the input credit of one state against the tax payable situation in another state, as GST is a central levy. CropLife India also notes that a business should be allowed to claim a refund on input credit in case it ceases operations because of reasons related to changes in government regulations.

## Technology and R&D

The association says that the government should focus on promoting domestic innovation and providing new technology to farmers, adding that there should be a 200% weighted reduction on research and development expenses borne by agrochemical players. It feels that such incentives should be handed to businesses that have assets valued within a certain threshold.

CropLife India has also raised the issue of drone use and urged the government to declare a 50% subsidy on domestic procurement and maintenance costs of drones, their batteries, and other components.

Referring to the government's **recognition** of the agrochemical industry as a "champion sector" of the economy, CropLife India's secretary general, Durgesh C Sharma, comments that Indian regulatory processes must comply with the international ecosystem if the country is to become a global manufacturing and supplies hub. Implementation of a "science-based, progressive and predictive regulatory regime" is a must for the sector to thrive, he adds.

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