

PRESS RELEASE

Proposed doubling of agrochemical formulation custom duty will hurt the farmer real hard

Proposal to enhance Customs Duty on agrochemicals is against 'Ease of Doing Business' and 'Make in India'

New Delhi, 15th July 2024: [CropLife India](#), an association of 17 R&D driven crop science companies, is astounded by a proposal towards for enhancement of Custom Duty on agrochemical formulations to 20%; which would hurt the interests of the farmers of the country, in terms of higher costs of farming and non-availability of the newer products.

The idea of doubling customs duty was being proposed based on 'misinformation'; in the last couple of months, about the "huge" formulation imports in the country. However, the actual data of import proves otherwise.

Mr. Durgesh Chandra, Secretary General, CropLife India said, "Imported Formulations hardly constitute 20% of total imports of agrochemicals in India. The proposal to increase in custom duty on formulations will set the wrong precedent, signal uncertainty in ease of doing business, will question the stability of Indian policies and send out wrong signals for both foreign and Indian investment in this sector; apart from not achieving any significant financial benefit for the exchequer".

Mr. Chandra added, "While our industry fully supports '*Make in India*', it should not come at the expense of our nation's farmers and their ability to produce food and compete globally".

Crop Protection Products are like medicines for agricultural crops, and protect them from the ravages of pests' diseases and weeds (risks presently pegged at 15-20%). Farmers invest huge sums by way of seeds, fertilizers, water, labour etc. to undertake farming, and agrochemicals act as insurance that protect their crops. Indian farmers need newer molecules for this purpose: the changing cropping patterns and agro climatic conditions makes it essential that farmers are provided with a bigger and better range of products.

Protecting the Indian Agriculture

- Historically, all the new technologies/innovations have been introduced in the country through import of Technical or formulated products. Once these solutions get adopted by the farmers, local manufacturing is commenced for a long term objective and to support '*Make in India*'.
- Additional custom duty, will generate meagre incremental revenues for the government however would rather damage the long-term sustainability of crop protection in the country.
- Since these formulations are unique science-based innovations, discouraging their use through tariff or non-tariff barriers will restrict the farmers' choices to older chemistries.
- Such an action will reflect India badly as an investment destination, as the proposed policy is totally baseless and arbitrary.

Almost all agrochemical formulations that are being imported are based on newer, safer and better chemistries; and provide farmers' with a whole new range of products for fighting the pests and diseases. As such imported formulations largely pertain to new molecules that lend better sustainability, pesticides' resistance management, and having favorable toxicity,

environmental fate and safety to the users; taxing them at higher rates will discourage introduction of newer chemistries, leading to loss of a viable new option at the hands of the farmers.

About **CropLife India**:

CropLife India is committed to advancing sustainable agriculture and it is an association of 17 R&D driven member companies in crop protection. We jointly represent ~ 70% of the market and are responsible for 95% of the molecules introduced in the country. Our member companies have annual global R & D spend of 6 billion USD and are firmly committed to engaging with the farming community to enable Safe, Secure Food Supply.

Our Members



Our Associate Members



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