

# THE TIMES OF INDIA

## FAIFA demands withdrawal of 35% GST on tobacco

Samdani MN / TNN / Dec 20, 2024

The Federation of All India Farmer Associations (FAIFA) projects 5.5% CAGR for Indian agriculture, reaching Rs 42 lakh crore by 2030. However, they oppose the proposed 35% GST on tobacco and aerated beverages, citing adverse impacts on

**GUNTUR:** The Federation of All India Farmer Associations (FAIFA) forecasts that Indian agriculture will grow with a compounding annual growth rate (CAGR) of 5.5% from 2025 to 2030, reaching a total value of Rs 42 lakh crore.



However, FAIFA raised serious concern about the Centre's plans to slap 35% GST on tobacco, tobacco products and aerated beverages. FAIFA president Jaware Gowda said that such a proposal will adversely impact farmers of cash crops like tobacco and sugarcane, who form an important part of the growth story of India's farm sector. "This tax will lead to reduced demand, higher cost of agriculture, disruptions in supply chains, and will make consumers shift to illicit products. This tax will be anti-farmer, and hurt farmers of cash crops," said Gowda.

The FAIFA celebrated kisan divas on Thursday by felicitating five farmers for their outstanding performance and pioneering contribution to the field of agriculture at a ceremony here on Thursday. Pamma Badri Reddy of Andhra Pradesh was given the lifetime achievement award while Jai Kishor Singh from Uttar Pradesh was given the modern innovative award in agriculture, Athar Matheen from Karnataka got the 'Back to The Roots' award, Krishnat Shankar Magdum of Maharashtra was given award for sustainable agricultural practices and Bandaru Ramanjaneyulu from AP was given model farmer of the year award.

'FAIFA Indian Agriculture Outlook 2025' released at the function. FAIFA president Jaware Gowda said that Agristack, the govt's digital initiative, that integrates various stakeholders in the agriculture sector, has the potential to be a game-changer by improving agricultural productivity and farmer incomes. By offering a single-window access to services like soil testing, fertilizer recommendations, pest management, and market access, it enables farmers to make informed decisions, reduce transaction costs, and improve market access.

He said that their research found that 70% of Indian farmers are expected to be using digital platforms for agricultural services, such as e-NAM and Kisan Portal by 2030.

Digital agriculture is projected to increase agricultural productivity by 15% and reduce costs by 10% by 2030. Adding to India's food security further, the country's irrigation coverage is expected to increase to 60% of agricultural land by 2030, up from 50% in 2025.

Water harvesting and conservation efforts are projected to reduce water waste by 20% and increase water efficiency by 15% by 2030.

However, challenges persist, including low productivity levels, weather variability, fragmented land holdings, and inadequate marketing infrastructure.

FAIFA general secretary Murali Babu said that govt must continue to invest in initiatives that enhance productivity, provide reasonable returns to farmers, and promote sustainable agriculture practices.

#### FAIFA Recommendations

- Drop proposal to impose 35 percent GST on tobacco and aerated drinks
- Strengthen e-NAM, expand irrigation coverage, enhance crop insurance, promote organic farming, and improve agricultural education as part of short-term goal.
- Implement national agricultural market policy, develop agricultural infrastructure, encourage private sector investment, foster agricultural research and innovation, and enhance farmers' skill development (2025-2030).
- Achieve 100% irrigation coverage, implement precision agriculture, develop climate-resilient practices, promote agro-tourism, and strengthen agricultural policy and governance (2030-2040).
- FAIFA forecasts food grain production is projected to increase by 25% by 2030, from the current 330 million metric tonnes. A research study report of FAIFA was released on Thursday.

**Source:** <https://timesofindia.indiatimes.com/city/vijayawada/faifa-demands-withdrawal-of-35-gst-on-tobacco/articleshow/116489148.cms>