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Impact of GST on Agriculture and Allied Sectors: Implications for Agri-Inputs, Food Processing, Storage, and Rural Value Chains

Babu Rao Vakada*
Department of Economics, Government Degree College, Puttur, Tirupati Dt, Andhra Pradesh-517583, India - Mobile No: 9848553724, vbr.education@gmail.com
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Abstract

The implementation of the Goods and Services Tax (GST) in India on 1 July 2017 represents a major structural reform aimed at unifying the indirect tax system and enhancing economic efficiency. Although the agricultural sector remains largely exempt from GST, its allied activities including agri-input supply, food processing, storage, and rural value chains are significantly influenced by the new tax regime. This study systematically evaluates the direct and indirect impacts of GST on these interconnected sectors using a descriptive and analytical approach based on secondary data from government reports, policy documents, and peer-reviewed literature. The findings reveal that GST has contributed to improved supply chain efficiency, reduced cascading tax effects, and enhanced market integration, particularly benefiting the food processing and logistics sectors through the availability of input tax credit (ITC). However, the taxation of critical agri-inputs such as fertilizers, pesticides, and agricultural machinery has increased the cost of cultivation, thereby imposing an indirect financial burden on farmers. Furthermore, while large and organized enterprises have adapted effectively to GST compliance requirements, small-scale rural stakeholders face challenges related to digital literacy, compliance complexity, and limited access to ITC benefits. The study concludes that targeted reforms such as rationalization of tax rates and simplification of compliance mechanisms are essential to ensure inclusive and sustainable growth in India's agricultural sector.

Keywords: Tax Reform; Input Tax Credit; Supply Chain Efficiency; Rural Development.

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1. Introduction

Agriculture remains a cornerstone of the Indian economy, playing a vital role in ensuring food security, generating employment, and sustaining rural livelihoods. Despite structural transformation and the growing contribution of the industrial and service sectors, agriculture continues to support nearly half of India's population and contributes significantly to the Gross Domestic Product (GDP). The sector is also closely linked with allied activities such as dairy, fisheries, poultry, and agro-based industries, forming an integrated rural economic system. These interconnected components collectively constitute agricultural value chains, which involve production, processing, storage, distribution, and marketing of agricultural commodities (Singh NP et al., 2018).

Prior to 2017, India's indirect taxation system was characterized by a complex and fragmented structure comprising multiple taxes such as Value Added Tax (VAT), central excise duty, service tax, entry tax, and octroi. This multiplicity of taxes led to cascading effects, where taxes were levied on previously taxed goods, thereby increasing the overall cost of production and reducing market efficiency. Additionally, interstate trade barriers and non-uniform tax rates created distortions in agricultural markets, adversely affecting price realization for farmers and increasing logistics costs (ClearTax, 2023). These inefficiencies were particularly evident in perishable agricultural commodities, where delays in transportation and storage resulted in significant post-harvest losses. A comparison of the pre-GST and post-GST tax structures is presented in **Table 1.**

Table 1: Comparison of Tax Structure in Agriculture Before and After GST

Aspect	**Pre-GST Regime**	**Post-GST Regime**
Tax Structure	Multiple taxes (VAT, excise, service tax)	Unified tax system (GST)
Cascading Effect	High	Eliminated (via ITC)
Interstate Trade	Restricted (check posts, entry tax)	Seamless movement of goods

Agri-Inputs Tax	Varied across states	Standardized rates (5–18%)
Compliance	Complex and fragmented	Digital and centralized
Impact on Farmers	Indirect but unclear	Indirect, more structured

The introduction of the Goods and Services Tax (GST) on 1 July 2017 marked a paradigm shift in India's taxation framework. GST is a comprehensive, destination-based indirect tax designed to subsume multiple central and state taxes into a unified system. It operates under a dual model consisting of Central GST (CGST), State GST (SGST), and Integrated GST (IGST) for interstate transactions. By eliminating cascading taxation and harmonizing tax rates across states, GST aims to create a seamless national market, improve tax compliance, and enhance overall economic efficiency (Government of India, 2017).

In the context of agriculture, GST adopts a distinctive approach. The sector itself is largely exempt from taxation, with most unprocessed agricultural produce and farming activities kept outside the GST ambit. This exemption is intended to protect farmers from direct tax burdens and ensure affordability of essential commodities. Consequently, the impact of GST on agriculture is predominantly indirect but nonetheless significant (Sai Prasad BV, 2019). The indirect impact of GST on agriculture and allied sectors can be conceptually represented in Figure 1.

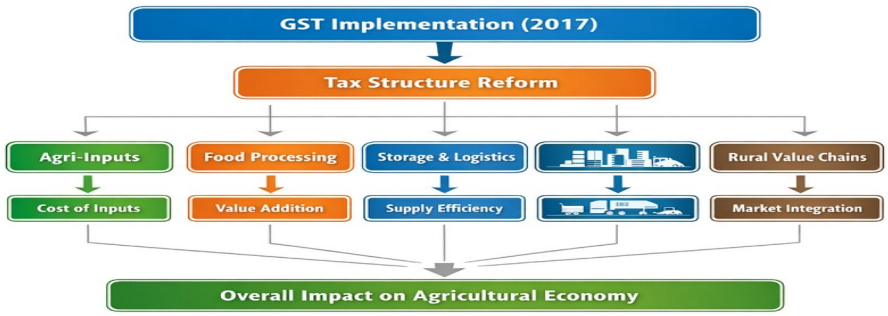


Figure1: GST Impact Pathway on Agriculture and Allied Sectors

One of the key areas influenced by GST is the cost structure of agri-inputs. While certain inputs like seeds are exempt, others such as fertilizers (taxed at around 5%), pesticides (18%), and agricultural machinery (ranging from 5% to 18%) have become relatively more expensive under the GST regime. Since farmers are not eligible to claim Input Tax Credit (ITC) due to the exempt status of their output, the tax paid on inputs becomes an additional cost, potentially affecting farm profitability and productivity (Agriculture Institute, 2025). This structural limitation highlights a critical gap in the GST framework concerning the agricultural sector.

Conversely, the food processing industry has experienced notable benefits from GST implementation. The availability of ITC has reduced the cascading tax burden, encouraged value addition, and promoted the formalization of agro-based industries. Similarly, the logistics and warehousing sectors have witnessed improvements due to the removal of interstate checkpoints and the rationalization of tax structures, leading to faster movement of goods and reduced transportation costs. These changes have contributed to the strengthening of rural value chains and improved market integration (Singh NP et al., 2018). Despite these advantages, several challenges persist, particularly for small and marginal farmers, rural traders, and micro-enterprises. Issues such as compliance complexity, limited digital literacy, and lack of awareness about GST provisions hinder effective participation in the formal tax system. Moreover, disparities in tax rates across different agricultural inputs and products create inconsistencies that require policy attention.

In this context, the present study aims to critically examine the impact of GST on agriculture and allied sectors, with a specific focus on agri-inputs, food processing, storage systems, and rural value chains. By analysing both the opportunities and challenges arising from GST implementation, the study seeks to provide insights into policy measures required to ensure inclusive and sustainable development of the agricultural sector.

2. Objectives of the Study

The present study aims to critically examine the impact of the Goods and Services Tax (GST) on agriculture and allied sectors in India. The specific objectives of the study are as follows:

1. To analyse the structure, framework, and applicability of GST in the agricultural sector.

2. To evaluate the impact of GST on major agricultural inputs, including fertilizers, pesticides, seeds, and agricultural machinery.
3. To assess the effects of GST on the food processing industry, particularly in terms of value addition, cost structure, and formalization.
4. To examine the implications of GST on storage and logistics systems, including warehousing, cold storage, and transportation efficiency.
5. To identify the key challenges faced by farmers, small traders, and rural stakeholders under the GST regime and to propose suitable policy recommendations for improving its effectiveness.

3. Research Methodology

This study adopts a descriptive and analytical research design to examine the impact of the GST on agriculture and allied sectors in India. The research is primarily based on secondary data, as it focuses on policy evaluation and sectoral analysis following the implementation of GST. Data have been collected from a wide range of credible sources, including official reports and publications of the Government of India (such as the GST Council, Ministry of Finance, and Ministry of Agriculture and Farmers' Welfare), peer-reviewed research articles, policy briefs, economic surveys, and reports from institutions like NITI Aayog and the Reserve Bank of India. In addition, authenticated online databases and institutional repositories have been used to obtain relevant and updated information on tax structures, agricultural performance, and sectoral developments in both pre- and post-GST periods.

The methodological approach involves a combination of comparative and qualitative analysis to achieve the objectives of the study. A systematic comparison of pre-GST and post-GST tax regimes is carried out to understand structural changes and their implications for Agri-inputs, food processing, storage, and rural value chains. The study also employs qualitative assessment through critical review and interpretation of existing literature, policy documents, and recent GST reforms to evaluate sectoral impacts. Furthermore, trend and policy analysis are used to examine recent developments, GST rate revisions, and government initiatives influencing agricultural supply chains. While the study provides comprehensive insights, it is limited by its reliance on secondary data, possible regional variations, and the dynamic nature of GST policies, which may evolve over time.

4. GST and the Agricultural Sector

The agricultural sector in India occupies a unique position under the GST framework, as it is largely kept outside the direct tax ambit. The primary objective of this exemption is to protect farmers from additional tax burdens and to ensure the affordability of essential food commodities. Accordingly, most unprocessed agricultural produce, including cereals, fruits, and vegetables, is exempt from GST. In addition, agricultural services such as cultivation, harvesting, threshing, plant protection, and supply of farm labor are also excluded from taxation (Government of India, 2017). This preferential treatment reflects the socio-economic importance of agriculture and its role in supporting rural livelihoods.

Despite these exemptions, the agricultural sector is significantly influenced by GST through indirect channels, particularly via Agri-inputs, services, and supply chain activities. One of the most notable features of GST is the ITC mechanism, which allows businesses to offset taxes paid on inputs against output tax liabilities. However, since agricultural outputs are largely exempt, farmers are not eligible to claim ITC. As a result, the tax paid on inputs such as fertilizers, pesticides, machinery, and irrigation equipment becomes an additional cost, thereby increasing the overall cost of cultivation (Singh NP et al., 2018).

The impact of GST on agriculture is therefore characterized by a dual effect. On one hand, the exemption of agricultural produce ensures that farmers are not directly taxed, thereby maintaining price stability for essential commodities. On the other hand, the taxation of inputs and services introduces indirect cost pressures that may affect farm profitability. For instance, fertilizers are taxed at around 5 %, while pesticides attract a higher GST rate of approximately 18 %. Similarly, agricultural machinery is taxed within a range of 5 % to 18 %, depending on the type of equipment (ClearTax, 2023). These tax rates contribute to an increase in input costs, particularly for small and marginal farmers who have limited financial capacity. The multidimensional impact of GST on agriculture and allied sectors, including agri-inputs, food processing, storage, and rural value chains, is illustrated in **Figure 2.**

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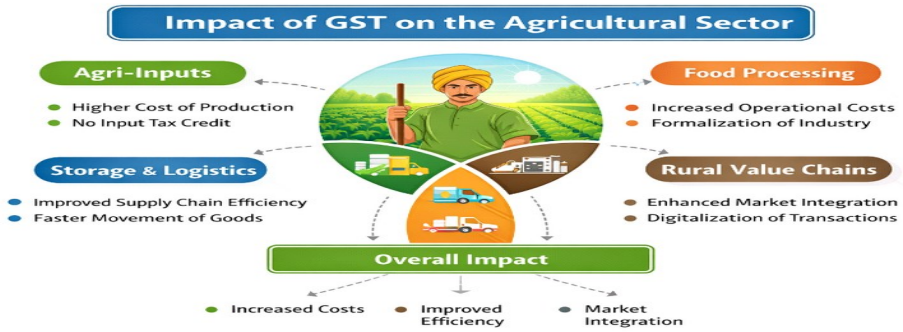


Figure 2: Impact of GST on the agricultural sector and allied value chains in India.

Another important dimension of GST in agriculture is its influence on market access and trade efficiency. The removal of interstate taxes and check posts under GST has facilitated the smoother movement of agricultural goods across state boundaries. This has reduced transportation delays and logistics costs, which is especially beneficial for perishable commodities. Improved market integration enables farmers to access broader markets and potentially secure better price realization for their produce (NITI Aayog, 2019).

Furthermore, GST has encouraged the formalization of agricultural trade and allied activities. Traders, processors, and intermediaries operating within the GST framework are required to maintain proper documentation and comply with tax regulations. While this enhances transparency and reduces tax evasion, it also imposes compliance requirements that may be challenging for small-scale stakeholders, particularly in rural areas with limited digital literacy.

In addition, GST has implications for agricultural marketing systems, including initiatives such as the electronic National Agriculture Market (e-NAM). The integration of markets under GST complements such digital platforms by enabling uniform taxation and facilitating interstate trade. This contributes to the development of a more efficient and competitive agricultural marketing system.

Overall, the GST framework has introduced both opportunities and challenges for the agricultural sector. While it promotes efficiency, transparency, and market integration, the inability of farmers to claim input tax credit and the increased cost of certain inputs remain significant concerns. Therefore, the net impact of GST on agriculture depends on the balance between these positive and negative effects, highlighting the need for targeted policy interventions to support farmers and ensure sustainable agricultural growth.

5. Impact of GST on Agri-Inputs

Agri-inputs constitute a critical component of agricultural production, directly influencing productivity, cost of cultivation, and overall farm profitability. The implementation of the Goods and Services Tax (GST) has significantly altered the taxation structure of key agricultural inputs such as fertilizers, seeds, pesticides, agricultural machinery, and irrigation equipment. Although the agricultural sector itself is largely exempt from GST, the taxation of these inputs has introduced notable indirect effects on farmers and the broader agricultural economy.

One of the major agri-inputs affected by GST is fertilizers, which are currently taxed at a concessional rate of around 5%. While this rate appears relatively low, the effective tax burden has increased compared to the pre-GST regime due to the restructuring of input tax credits within the manufacturing chain. Fertilizer manufacturers face higher taxes on raw materials and services, which are partially passed on to farmers in the form of increased prices (Singh NP et al., 2018). Consequently, even a modest GST rate can contribute to a rise in the cost of cultivation.

In contrast, seeds are largely exempt from GST, reflecting their essential role in agricultural production and food security. This exemption is a positive measure, as it reduces the financial burden on farmers and encourages the adoption of quality seeds. However, the benefits of this exemption are somewhat offset by the increased cost of other complementary inputs required for crop production.

A significant concern arises in the case of pesticides and insecticides, which are taxed at a higher GST rate of approximately 18%. This relatively high tax rate has led to an increase in the cost of crop protection measures, which are essential for maintaining yield and quality. For small and marginal farmers, the increased cost of pesticides can

result in reduced usage, potentially affecting agricultural productivity and increasing vulnerability to pest-related losses (Clear Tax, 2023).

The taxation of agricultural machinery and equipment under GST ranges between 5% and 18%, depending on the type of equipment. Tractors are generally taxed at a lower rate (around 12%), while other machinery such as harvesters, threshers, and irrigation systems may attract higher rates. Although GST allows manufacturers to claim Input Tax Credit, thereby reducing production costs, farmers are unable to avail of this benefit due to the exempt status of their output. As a result, the tax burden is ultimately borne by farmers, increasing the capital cost of mechanization (NITI Aayog, 2019).

Similarly, irrigation equipment, including drip and sprinkler systems, is subject to GST in the range of 5% to 12%. While these technologies are crucial for improving water use efficiency and promoting sustainable agriculture, the imposition of GST may discourage adoption, particularly among resource-constrained farmers.

A key structural issue under GST is the lack of Input Tax Credit availability for farmers. Since agricultural produce is exempt from GST, farmers cannot offset the tax paid on inputs against output tax liability. This results in a cascading effect at the farm level, where input taxes become an embedded cost. This limitation highlights a fundamental mismatch in the GST framework with respect to the agricultural sector.

Despite these challenges, GST has introduced certain benefits for the agri-input sector. The standardization of tax rates across states has reduced price distortions and improved the efficiency of input supply chains. Additionally, the removal of interstate barriers has facilitated the smoother distribution of inputs, ensuring better availability in remote and rural areas.

Overall, the impact of GST on Agri-inputs is mixed in nature. While it has improved transparency, uniformity, and supply chain efficiency, it has also increased the cost burden on farmers due to taxation of critical inputs and the absence of ITC benefits. Therefore, rationalization of GST rates on key agri-inputs and policy support for farmers are essential to minimize adverse effects and enhance agricultural productivity. The impact of GST on Agri-inputs can be summarized in Table 2.

Table 2: GST Rates on Major Agricultural Inputs and Their Impact

Agri-Input	GST Rate (%)	Impact on Farmers
Seeds	0 %	Positive (cost reduction)
Fertilizers	5 %	Slight increase in cost
Pesticides/Insecticides	18 %	High-cost burden
Tractors	12 %	Moderate impact
Irrigation Equipment	5–12 %	Mixed impact

6. Impact of GST on the Food Processing Sector

The food processing sector plays a crucial role in linking agriculture with industry by adding value to raw agricultural produce, reducing post-harvest losses, and generating employment opportunities. In India, this sector is considered a key driver of rural industrialization and economic growth. The implementation of the GST has brought significant structural changes to the food processing industry by streamlining the tax regime, improving supply chain efficiency, and encouraging formalization.

Under the GST framework, food products are taxed at varying rates depending on their level of processing, packaging, and branding. Basic and unprocessed food items such as fresh fruits, vegetables, milk, and cereals are largely exempt from GST, ensuring affordability for consumers. However, processed and packaged food products are subject to GST rates ranging from 5% to 18%. For instance, items such as branded cereals, ready-to-eat foods, and processed snacks attract higher tax rates, reflecting their value-added nature (Clear Tax, 2023). This classification has created a distinction between unorganized and organized sectors, with the latter benefiting more from GST provisions.

One of the most significant advantages of GST for the food processing sector is the availability of the Input Tax Credit mechanism. Unlike the agricultural sector, food processing industries can claim ITC on taxes paid for raw materials, packaging, transportation, and other inputs. This reduces the cascading effect of taxes and lowers the

overall cost of production. As a result, GST has enhanced the competitiveness of organized food processing units and encouraged greater investment in value-added agricultural products (Singh NP et al., 2018).

GST has also contributed to the formalization of the food processing industry. Prior to GST, many small and medium enterprises (SMEs) operated in the informal sector to avoid complex tax compliance. The introduction of a unified tax system, coupled with digital filing requirements, has incentivized businesses to register under GST, thereby improving transparency and tax compliance. This transition to formalization has facilitated better access to credit, government schemes, and market opportunities.

Another important impact of GST is observed in supply chain and logistics optimization. The removal of interstate taxes and check posts has reduced transit time and transportation costs, enabling faster movement of perishable goods. This is particularly beneficial for processed food products that require efficient cold chain systems. Improved logistics under GST has contributed to reducing wastage and enhancing the overall efficiency of the food supply chain (NITI Aayog, 2019).

However, the sector also faces certain challenges under GST. Higher tax rates on specific processed food items may lead to increased retail prices, potentially affecting demand. Small-scale and unorganized food processors often face difficulties in complying with GST requirements due to limited technical knowledge, financial constraints, and lack of digital infrastructure. Additionally, classification issues such as differentiating between branded and unbranded products have created ambiguity in tax applicability.

Despite these challenges, GST has created a more integrated and efficient ecosystem for the food processing sector. It has promoted value addition, reduced tax cascading, and encouraged modernization and investment. Over time, these improvements are expected to strengthen the linkages between agriculture and industry, contributing to rural development and economic growth. The GST classification of food products based on processing levels is presented in **Table 3.**

Table 3: GST Rates on Selected Food Products

Category	Example Products	GST Rate (%)
Unprocessed food	Fruits, vegetables, grains	0 %
Basic processed food	Packaged cereals, pulses	5 %
Moderately processed	Dairy products, edible oils	5–12 %
Highly processed	Snacks, ready-to-eat foods	12–18 %

7. Impact of GST on Storage and Warehousing

Storage and warehousing are critical components of the agricultural supply chain, particularly in a country like India where a significant proportion of agricultural produce is perishable. Efficient storage systems, including warehouses and cold storage facilities, play a vital role in reducing post-harvest losses, stabilizing prices, and ensuring food security. The implementation of the GST has brought notable changes to this segment by rationalizing tax structures, improving logistics efficiency, and promoting organized infrastructure development.

Under the GST regime, the storage of agricultural produce is largely exempt from taxation, which is a positive measure aimed at supporting farmers and preventing additional cost burdens. Services related to warehousing of primary agricultural produce, such as grains, pulses, fruits, and vegetables, are not subject to GST (Government of India, 2017). This exemption encourages the use of storage facilities and helps in minimizing post-harvest losses. However, value-added storage services, particularly those involving processed or packaged goods, may attract GST depending on the nature of the service.

A significant impact of GST on this sector is observed in the logistics and transportation system. Prior to GST, the presence of multiple state-level taxes and checkpoints resulted in delays, increased fuel consumption, and higher transportation costs. The removal of interstate barriers under GST has streamlined the movement of goods across the country, leading to reduced transit time and improved supply chain

efficiency (NITI Aayog, 2019). This is particularly beneficial for agricultural commodities that require timely delivery to prevent spoilage.

GST has also influenced the location and operation of warehouses. Before GST, businesses often established warehouses in multiple states to minimize tax liabilities. With the introduction of a unified tax system, companies can now optimize warehouse locations based on operational efficiency rather than tax considerations. This has led to the emergence of large, centralized warehouses and modern logistics hubs, improving inventory management and reducing overall logistics costs (Singh NP et al., 2018).

The development of cold storage infrastructure has also been indirectly supported under GST. Although certain cold storage services may attract tax, the overall improvement in logistics efficiency and supply chain integration has encouraged investments in temperature-controlled storage systems. This is crucial for sectors such as fruits, vegetables, dairy, and fisheries, where maintaining product quality is essential.

Despite these advantages, some challenges persist. The taxation of certain logistics services and equipment can increase operational costs for service providers, which may be passed on to farmers and traders. Additionally, small-scale warehouse operators and rural service providers may face difficulties in complying with GST regulations due to limited digital infrastructure and awareness.

Overall, GST has had a positive impact on storage and warehousing by improving efficiency, reducing logistical bottlenecks, and encouraging the development of organized infrastructure. These improvements contribute to strengthening the agricultural supply chain and enhancing market accessibility for farmers.

8. Impact of GST on Rural Value Chains

Rural value chains in agriculture encompass the entire sequence of activities from production to final consumption, including aggregation, processing, storage, transportation, and marketing. These value chains play a critical role in enhancing farmers' income, reducing inefficiencies, and ensuring better price realization. The implementation of the GST has significantly influenced the structure and functioning of rural value chains by promoting integration, transparency, and efficiency across different stages.

One of the most important contributions of GST to rural value chains is the integration of fragmented markets. Prior to GST, interstate trade was hindered by multiple taxes, entry barriers, and regulatory complexities, which limited market access for farmers and rural enterprises. GST has removed these barriers by creating a unified national market, enabling smoother movement of agricultural goods across states. This has expanded market opportunities for farmers, allowing them to access better prices and reduce dependency on local intermediaries (NITI Aayog, 2019).

GST has also enhanced supply chain efficiency by streamlining logistics and reducing transaction costs. The elimination of check posts and the simplification of tax procedures have resulted in faster transportation and reduced delays, which is particularly beneficial for perishable agricultural commodities. Improved logistics contribute to minimizing post-harvest losses and increasing the overall efficiency of rural supply chains. This, in turn, strengthens linkages between farmers, processors, wholesalers, and retailers (Singh NP et al., 2018).

Another significant impact of GST is the formalization of rural economic activities. The requirement for registration, invoicing, and digital tax filing has encouraged traders, aggregators, and small enterprises to become part of the formal economy. Formalization improves transparency, reduces tax evasion, and facilitates better access to institutional credit, government subsidies, and financial services. However, this transition also presents challenges for small and marginal stakeholders who may lack digital literacy and awareness of GST compliance procedures.

GST has further influenced value addition and agro-based industries in rural areas. By enabling the ITC mechanism, GST reduces the cascading effect of taxes in processing and manufacturing activities. This encourages the establishment of food processing units and small-scale agro-industries in rural regions, thereby generating employment and increasing income opportunities. Enhanced value addition also contributes to the diversification of agricultural products and the development of rural entrepreneurship.

In addition, GST supports the growth of digital and organized marketing platforms, such as electronic trading systems and e-commerce channels. These platforms

facilitate direct linkages between producers and consumers, reducing the role of intermediaries and improving price transparency. The integration of GST with such platforms strengthens the efficiency and competitiveness of rural value chains.

Despite these positive developments, several challenges remain. The compliance burden associated with GST, including return filing and documentation requirements, can be difficult for small traders and rural enterprises to manage. Limited access to digital infrastructure and lack of technical knowledge further constrain their participation in the formal system. Additionally, the inability of farmers to claim Input Tax Credit continues to create cost disadvantages within the value chain.

Overall, GST has played a transformative role in reshaping rural value chains by promoting market integration, improving efficiency, and encouraging formalization. While these changes have the potential to enhance farmers' income and rural development, addressing the challenges related to compliance, digital access, and tax structure is essential to ensure inclusive growth and sustainability.

9. Conclusion and Future Scope

The implementation of the GST marks a significant reform in India's indirect taxation system, with wide-ranging implications for agriculture and its allied sectors. Although the agricultural sector remains largely exempt from GST, the study reveals that its impact is predominantly indirect yet substantial, influencing agri-inputs, food processing, storage and logistics, and rural value chains. The findings indicate that GST has contributed to improved market integration, enhanced supply chain efficiency, and greater transparency through the formalization of economic activities. In particular, sectors such as food processing and logistics have benefited from the availability of ITC, reduced cascading effects, and streamlined interstate trade.

However, the study also highlights several critical challenges. The taxation of essential agri-inputs, such as fertilizers, pesticides, and machinery, has increased the cost of cultivation, thereby imposing a financial burden on farmers, especially small and marginal ones. The inability of farmers to claim ITC further exacerbates this issue, leading to embedded tax costs within the agricultural production system. Additionally, compliance complexities, digital literacy gaps, and infrastructural limitations pose challenges for rural stakeholders in adapting to the GST framework. Overall, GST has

created a more integrated and efficient agricultural ecosystem, but its benefits are not uniformly distributed across all stakeholders. While organized sectors and large enterprises have adapted effectively, smaller players continue to face structural and operational constraints. Therefore, the success of GST in agriculture depends on continuous policy refinement and targeted interventions.

Future Scope

The present study opens several avenues for further research and policy development. Future studies can focus on empirical analysis using primary data to quantify the actual impact of GST on farmers' income, input costs, and productivity across different regions. Comparative studies between states can provide insights into regional disparities in GST implementation and its outcomes. Additionally, there is scope to examine the long-term impact of GST on agricultural exports, agro-based industries, and rural entrepreneurship.

From a policy perspective, future reforms may include rationalization of GST rates on critical agri-inputs, extension of limited ITC benefits or subsidy mechanisms for farmers, and simplification of compliance procedures for small and rural enterprises. Strengthening digital infrastructure and enhancing awareness through training programs can further improve participation in the GST system. Moreover, integrating GST with emerging digital platforms and agricultural marketing reforms can play a key role in building resilient and sustainable rural value chains. In conclusion, while GST has laid the foundation for a unified and transparent taxation system, its full potential in the agricultural sector can be realized only through inclusive policies that address existing challenges and promote equitable growth.

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