



THE CAMPCO LTD.



Head Office : "Varanashi Towers", Mission Street, Mangaluru - 575 001, Karnataka

A. KISHORE KUMAR KODGI

President

PR/MIN/8/2022

16th August, 2022

Ms Nirjala Sitharaman
Hon'ble Union Minister for Finance
Government of India
Parliament Street
NEW DELHI 110 001.

SUB: Representation submitted on behalf of Arecanut Farmers.

Respected Madam,

Greetings from The Central Arecanut & Cocoa Marketing and Processing Cooperative Limited – The CAMPCO Ltd., a Multi State Cooperative of the Farmers, By the Farmers and For the Farmers. "CAMPCO" was born and registered on 11th July 1973 under Section 7 of the Karnataka Co-operative Societies Act 1959 read with Section 4(2) of the Multi State Co-operative Societies Act 1942. CAMPCO has been functioning effectively in the Cooperative Sector for the past 49 years and is one of the leading Multi State Cooperative Societies of the Nation having more than 1,20,000 Farmer Members and support them in marketing their produce viz. Arecanut (Supari) Rubber, Cocoa, Pepper etc. The main objective of CAMPCO is to protect the interest of the Farmers and hence this letter is in context to the same with the following representation:

• **To increase the Minimum Tariff Price**

Based on the cost of cultivation of Rs.250/- in the year 2017, the Minimum Tariff value was revised to Rs.251/- which helped in the improvement of the Market. Currently, the costs of all items have increased. For example: The rate of Copper Sulphate has increased from Rs.190/- in the year 2015 to Rs.340/- currently and the Labour cost too has increased from Rs.450/- in the year 2015 to the current rate of Rs.650/-. There is a hike of nearly 30%. The present cost of cultivation is worked out to **Rs.409/-** for Red Variety and **Rs.360/-** for White Variety Arecanut per Kilogram. At this juncture, it is pertinent to mention that the Domestic Market is currently being flooded with imported Arecanut. As the Domestic Market price is lower than the price of the imported Arecanut, we kindly request your goodselfes to instruct the Commerce Ministry to increase the Minimum Tariff value. The scientific evaluation of the cost of production of Arecanut is attached herewith as **Annexure-I**

Hence, we request your goodselfes to issue fresh Notification through the DGFT for fixing the Minimum Tariff value to above Rs.360/- based on the current cost of cultivation.

• To revise GST @18% on Copper Sulphate

Copper Sulphate is a Chemical used in agriculture and as well as other Industrial purposes. It is mainly used in controlling fungus diseases in plantation and Horticulture crops particularly Coffee, Areca, Rubber, Cardamom, Pepper and ginger and as a plant nutrient. The GST fixed is 18%. The comparison of GST fixed under 2 Chapters are as follows:

(3)(a) The Copper Sulphate manufactured as Micro Nutrient falls under chapter 28 and with GST rate fixed @12%

(b) The copper Sulphate is also coming under the same Chapter 28 under the Head of Sulphates and GST rate is fixed at 18%

(c) The Copper Sulphate is also coming under chapter 38 under Fungicide/Insecticide and rate of tax fixed is 18%

(d) The HSN Code allotted is 28332500 under chapter 28 and there are no separate HSN Codes for Sulphate under micro nutrients which are included in chapter 28 and 38 summarised as follows:

CHAPTER	BROAD DETAILS	HSN Code	RATE OF GST
28	Copper Sulphate	28332500	18%
28	Micro Nutrient	No HSN code	12%
28	Fungicide/Insecticide	3808	18%

All types of Fertilisers coming under the GST Levy is at a reduced rate of 5% only and copper Sulphate used in agriculture fungicide is charged @ 18% and Micro Nutrient @ 12% respectively. However, under the recent Order S.O.349(E) dated 6/2/2017 issued by Ministry of Agriculture and Farmers Welfare Micro Nutrient have classified that all Micro Nutrients are Fertilisers which attract GST rate of 5%.

When this is so, all major Fertilisers used in agriculture are charged at 5% GST and Micro Nutrient is charged at 12% and fungicide is charged at 18% which leads to confusion.

Hence, under the above said circumstances, we humbly request for consideration as follows:

- (1) As an agriculture fungicide, Bordeaux Mixture is being consumed mainly by Small Growers, hence fix GST rate @5% on all Copper Sulphate manufactured under CIB/FCO 1985 Licences used in agriculture
- (2) Levy uniform rate of Tax used for Agricultural purpose and should be brought under One Chapter with single HSN Code to avoid confusions or allot different HSN Code for different end uses which avoids unwanted confusions.

Further CAMPCO being in the forefront for the Farmers many Farmers have approached us on various matters and we represent as follows:

It is now learnt from reliable sources that

1. There is continuous illegal movement of Arecanut moving towards Pan Masala Factory at Antharasanahalli, Tumakuru. From the information received it is learnt that every day a quantity of nearly 105 tons of Arecanut valued at approximately **Rs.5.20 Crores** is being transported to the Pan Masala Factory in around 5 Vehicles with the active connivance of the Officials. This huge quantity of Arecanut being transported illegally causes great loss to the Governments Exchequer.

Suggestion: It is kindly requested to make it mandatory to install CCTV at the Check Posts and also entry and exit points of the Pan Masala Factories situated across the Country so as to keep a check on the Vehicle Movement.

2. It is also learnt that substantial quantity of Arecanut is being transported either through non billing or through under invoicing via Bijapur, Tumakuru and Maharashtra Borders. In addition to the above, this too causes great loss to the Governments Exchequer and the Government loses in Crores.

Suggestion: Make it mandatory for every toll gate to cross check the goods with the Bills and E Way Bills.

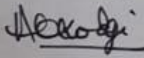
To curb the illegal transportation of Goods and also to prevent revenue loss to the Government, we kindly request that Special Officers may be deputed for the said purpose.

At present, the GST Department is consulting CAMPCO for the purpose of valuation of confiscated goods. CAMPCO follows its own standards of adopting the selling price of various grades of Arecanut based on the market conditions. This can be considered as the bench mark for all transactions in the supply chain. Hence, it would be practical to officially appoint CAMPCO, a major Cooperative in the regulated Market for nearly past five decades, as Nodal Agency for the purpose of Valuation to support the GST Department.

Considering the interest of the Farmers, foremost, we kindly request your goodselves to consider our above specified requests which would indirectly support in empowering the domestic Market and Farmers also

Thanking you, Madam, we remain

Yours faithfully,



(A.KISHORE KUMAR KODGI)
PRESIDENT