



IMPACT of GST on Minor Forest Produce

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Assessment on select Minor Forest Produce (MFPs) has been done by Tribal Cooperative Marketing Development Federation of India Limited (TRIFED), a multi-State cooperative society under the administrative control of the Ministry of Tribal Affairs in July, 2017 on impact of Goods and Service Tax (GST) levied on these MFPs. The MFPs covered under the scheme of Minimum Support Price for Minor Forest Produce Scheme (MSP for MFP scheme) were selected for the assessment. The impact of GST on these MFP Commodities is as under:

- i) Govt. of India has introduced GST w.e.f. 1.07.2017 in all states of India.
- ii) Before implementation of GST there was VAT applicable on MFP which ranged from 0% to 14.5% on different commodities of MFP selected for assessment.
- iii) After implementation of GST, now a uniform Tax of 5% has been levied on almost all commodities of MFP.

The Government has introduced a scheme titled as 'Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and Development of Value Chain for MFP' which has been designed as a social safety measure for the MFP gatherers, who are primarily members of the Scheduled Tribes. The basic objective of the scheme is to ensure fair returns to the MFP gatherers so as to cover their cost of collection, cleaning and primary processing, packaging and transportation. Incentivizing sale and purchase of MFP items which are gathered from the wild is not intended as it may lead to their over exploitation which is likely to jeopardize ecology and render them unsustainable.

This Press Release is based on the information given by the Minister of State for Tribal Affairs Shri Jaswantsinh Sumanbhai Bhabhor in a written reply to a question in Rajya Sabha on 21.12.2017 (Thursday).

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